Government of Canada | Gouvernement du Canada

Prepared by the
Receiver General for Canada

Public Accounts of Canada

2015

Volume I

Summary Report and Consolidated Financial Statements

Canada

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To His Excellency

The Right Honourable David Johnston,
C.C., C.M.M., C.O.M., C.D.,
Governor General and
Commander-in-Chief of Canada

May it please your Excellency:

I have the honour to present to Your Excellency the *Public Accounts of Canada* for the year ended March 31, 2015.

All of which is respectfully submitted.

Scott Brison

Scott Brison, P.C., M.P.
President of the Treasury Board

Ottawa, December 4, 2015

To The Honourable Scott Brison, P.C., M.P.
President of the Treasury Board

Sir:

In accordance with the provisions of section 64(1) of the *Financial Administration Act*, I have the honour to transmit herewith the *Public Accounts of Canada* for the year ended March 31, 2015, to be laid by you before the House of Commons.

Respectfully submitted,

Judy M. Foote, P.C., M.P.
Receiver General for Canada

Ottawa, December 4, 2015

To The Honourable Judy M. Foote, P.C., M.P.
Receiver General for Canada

Madam:

I have the honour to submit the *Public Accounts of Canada* for the year ended March 31, 2015.

Under section 64(1) of the *Financial Administration Act*, the *Public Accounts of Canada* for each fiscal year shall be prepared by the Receiver General and shall be laid before the House of Commons by the President of the Treasury Board on or before the thirty-first day of December next following the end of that year, or if the House of Commons is not then sitting, within the first fifteen days next thereafter that the House of Commons is sitting.

This annual report is presented in three volumes:

Volume I — The consolidated financial statements of Canada on which the Auditor General has expressed an opinion and provided his observations; a discussion and analysis of the consolidated financial statements and a ten-year comparison of financial information; analyses of revenues and expenses, and of asset and liability accounts; and various other statements;

Volume II — Details of the financial operations of the Government, segregated by ministry; and

Volume III — Additional information and analyses

Respectfully submitted,

George Da Pont
Deputy Receiver General for Canada

Ottawa, December 4, 2015

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Volume I

2014-2015

Public Accounts of Canada

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Introduction to the *Public Accounts of Canada*

Nature of the *Public Accounts of Canada*

The *Public Accounts of Canada* is the report of the Government of Canada prepared annually by the Receiver General, as required by section 64 of the *Financial Administration Act*. It covers the fiscal year of the Government, which ends on March 31.

The information contained in the report originates from two sources of data:

- the summarized financial transactions presented in the accounts of Canada, maintained by the Receiver General; and
- the detailed records, maintained by departments and agencies.

Each department and agency is responsible for reconciling its accounts to the control accounts of the Receiver General, and for maintaining detailed records of the transactions in their accounts.

The report covers the financial transactions of the Government during the year. In certain cases, parliamentary authority to undertake transactions was provided by legislation approved in earlier years.

Format of the *Public Accounts of Canada*

The *Public Accounts of Canada* is produced in three volumes.

Volume I presents the audited consolidated financial statements of the Government, as well as additional financial information and analyses;

Volume II presents the financial operations of the Government, segregated by ministry; and

Volume III presents supplementary information and analyses.

Section 1

2014-2015

Public Accounts of Canada

Financial Statements Discussion and Analysis

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Note to reader

An overview of the financial operations of the Government of Canada is provided in the ***Annual Financial Report*** prepared by the Department of Finance. This Report also includes condensed consolidated financial statements.

Accompanying this Report are historical fiscal reference tables and related fiscal indicators for the federal government and the provinces.

The ***Annual Financial Report*** is available on the Web at www.fin.gc.ca/purl/afr-eng.asp.

Financial Statements Discussion and Analysis

Introduction

The *Public Accounts of Canada* is a major accountability report of the Government of Canada. This section, together with the other sections in this volume and in Volumes II and III of the *Public Accounts of Canada*, provides detailed supplementary information in respect of matters reported in the audited consolidated financial statements in Section 2 of this volume. Further discussion and analysis of the Government's financial results can be found in the Annual Financial Report of the Government of Canada – Fiscal Year 2014-2015, available on the Department of Finance's website.

The consolidated financial statements have been prepared under the joint direction of the Minister of Finance, the President of the Treasury Board and the Receiver General for Canada. Responsibility for the integrity and objectivity of the consolidated financial statements rests with the Government. A glossary of terms used in this financial statements discussion and analysis is provided at the end of this section.

2014-2015 Financial Highlights

- The Government posted a budgetary surplus of $1.9 billion for the fiscal year ended March 31, 2015, compared to a budgetary deficit of $5.2 billion in 2013-2014.
- Revenues increased by $10.7 billion, or 3.9 percent, from 2013-2014, reflecting growth in all major revenue streams. Program expenses increased by $5.2 billion, or 2.1 percent, reflecting increases in major transfers to persons and other levels of government. Public debt charges were down $1.6 billion, or 5.8 percent, due to a lower average effective interest rate on the stock of interest-bearing debt.
- The accumulated deficit (the difference between total liabilities and total assets) stood at $612.3 billion at March 31, 2015. The accumulated deficit-to-GDP (gross domestic product) ratio was 31.0 percent, down from 32.3 percent a year earlier.
- As reported by the Organisation for Economic Co-operation and Development (OECD), Canada's total government net debt-to-GDP ratio, which includes the net debt of the federal, provincial/territorial and local governments, as well as the net assets held in the Canada Pension Plan and Quebec Pension Plan, stood at 40.4 percent in 2014. This is the lowest level among Group of Seven (G-7) countries, which the OECD expects will record an average net debt of 86.8 percent of GDP for the same year.

Discussion and Analysis

Economic Highlights [1]

In 2014 and early 2015 there were two main factors which affected the performance of Canada's economy: persistent weakness in the global economy and the decline in global commodity prices, with the fall in crude oil prices having a significant impact.

Global growth remained subdued in 2014, reflecting relatively weak growth in the euro area and Japan and moderating growth in China. This weak external demand weighed on Canadian exports. Without solid growth in global demand, Canadian businesses were cautious about expanding capacity. As a result, real business investment growth slowed, between mid-2012 and the end of 2014, to an annual rate of about 1 percent.

The sharp decline in crude oil prices since mid-2014 has further weighed on the Canadian economy, particularly in early 2015. For Canada, as a producer and net exporter of crude oil, lower oil prices have had a net negative impact on Canada's nominal GDP growth – the broadest measure of the tax base. In particular, the value of Canada's crude oil exports in the second quarter of 2014 (before the decline in oil prices) was $100 billion, or 5.1 percent of nominal GDP. The decline in crude oil export prices reduced the value of exports, and hence nominal GDP, by over $45 billion (2.3 percent of GDP) by the first quarter of 2015 (export volumes remained broadly unchanged). In addition, lower oil prices led to a significant retrenchment in real business investment in the oil and gas sector in the first quarter of 2015.

Nominal GDP growth in 2014 was higher than anticipated in Budget 2014. However, due to the fall in oil prices, growth fell from an average of 4.9 percent in the first three quarters of 2014 to 0.4 percent in the fourth quarter. In the first quarter of 2015, nominal GDP declined by 2.9 percent.

In response to economic conditions, short- and long-term interest rates have remained at historically low levels over the last two years and in 2014 were below Budget 2014 projections. Interest rates fell in early 2015, and in the first quarter of 2015 were lower than anticipated at the time of Budget 2015.

The unemployment rate declined from 7.1 percent in 2013 to 6.9 percent in 2014. Consumer Price Index (CPI) inflation remained below the mid-point of the Bank of Canada's target band in 2013 and 2014. Reflecting excess slack in the economy and lower commodity prices, CPI inflation in 2014 was lower than projected in Budget 2014.

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(1) This section incorporates data available up to and including August 10, 2015.

Average Private Sector Forecasts

(Percent)

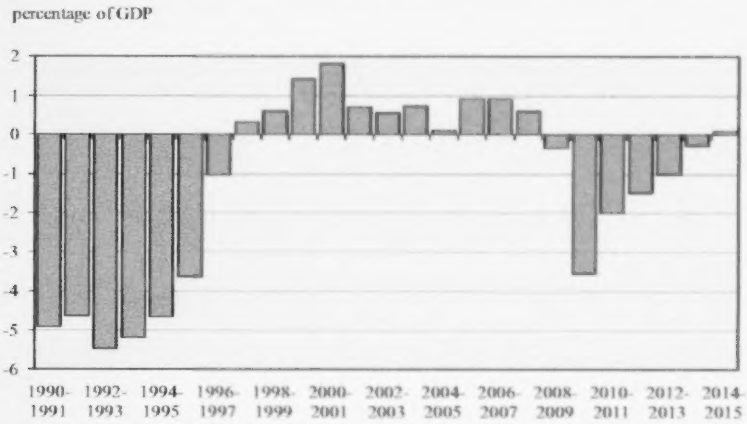
	2013	2014	2015
Real GDP Growth (%)			
December 2013 Survey / Economic Action Plan 2014	1.7	2.3	2.5
March 2015 Survey / Economic Action Plan 2015	2.0	2.5	2.0
Actual	2.0	2.4	
Nominal GDP Growth (%)			
December 2013 Survey / Economic Action Plan 2014	3.2	3.9	4.5
March 2015 Survey / Economic Action Plan 2015	3.4	4.4	1.6
Actual	3.4	4.3	
3-Month Treasury Bill Rate (%)			
December 2013 Survey / Economic Action Plan 2014	1.0	1.0	1.5
March 2015 Survey / Economic Action Plan 2015	1.0	0.9	0.6
Actual	1.0	0.9	
10-Year Government Bond Rate (%)			
December 2013 Survey / Economic Action Plan 2014	2.3	3.0	3.5
March 2015 Survey / Economic Action Plan 2015	2.3	2.2	1.7
Actual	2.3	2.2	
Unemployment Rate (%)			
December 2013 Survey / Economic Action Plan 2014	7.1	6.8	6.6
March 2015 Survey / Economic Action Plan 2015	7.1	6.9	6.7
Actual	7.1	6.9	
Consumer Price Index Inflation (%)			
December 2013 Survey / Economic Action Plan 2014	1.0	1.5	1.9
March 2015 Survey / Economic Action Plan 2015	1.0	1.9	0.9
Actual	1.0	1.9	

Source: December 2013 private sector survey for Budget 2014 and March 2015 private sector survey for Budget 2015.
Statistics Canada data for actual.

The Budgetary Balance

The Government posted a budgetary surplus of $1.9 billion in 2014-2015. The following graph shows the Government's budgetary balance since 1990-1991. To enhance the comparability of results over time and across jurisdictions, the budgetary balance and its components are presented as a percentage of GDP. In 2014-2015, the budgetary surplus was 0.1 percent of GDP, compared to a deficit of 0.3 percent of GDP a year earlier.

Annual Surplus/Deficit



The 2014-2015 budgetary surplus of $1.9 billion compares to a deficit of $5.2 billion in 2013-2014.

Revenues were up $10.7 billion, or 3.9 percent, from the prior year, reflecting increases across all major revenue streams.

Expenses were up $3.6 billion, or 1.3 percent, from the prior year. Program expenses increased by $5.2 billion, reflecting increases in major transfers to persons and other levels of government, offset in part by decreases in other transfer payments and other program expenses. Public debt charges decreased by $1.6 billion, or 5.8 percent, from the prior year, reflecting a lower average effective interest rate on the stock of interest-bearing debt.

2014-2015 Financial Highlights

	2014-2015	2013-2014 (1)
	(in millions of dollars)	
Consolidated Statement of Operations		
Revenues	282,346	271,677
Expenses —		
Program expenses	253,841	248,607
Public debt charges	26,594	28,220
Total expenses	280,435	276,827
Annual (surplus) or deficit	***(1,911)***	***5,150***
Percentage of GDP	*(0.1%)*	*0.3%*
Consolidated Statement of Financial Position		
Liabilities —		
Interest-bearing debt	899,986	889,993
Other	123,631	111,730
Total liabilities	1,023,617	1,001,723
Financial assets	336,658	319,409
Net debt	***686,959***	***682,314***
Non-financial assets	74,629	70,433
Accumulated deficit	***612,330***	***611,881***
Percentage of GDP	*31.0%*	*32.3%*

(1) Certain comparative figures have been reclassified to conform to the current year's presentation.

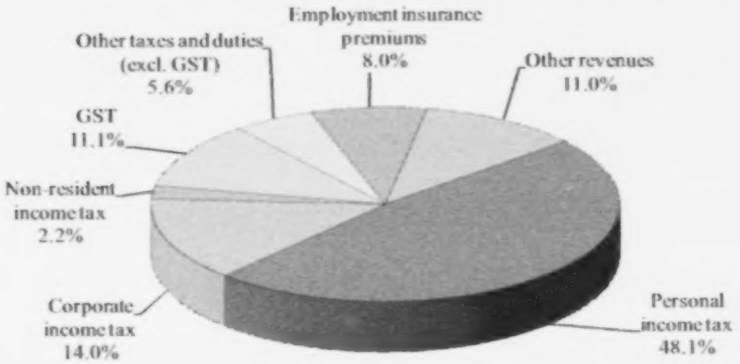
Revenues

Federal revenues can be broken down into four main categories: income taxes, other taxes and duties, Employment Insurance (EI) premiums and other revenues. Within the income tax category, personal income tax revenues are the largest source of federal revenues, and accounted for 48.1 percent of total revenues in 2014-2015 (the same percentage as in 2013-2014). Corporate income tax revenues are the second largest source of revenues, and accounted for 14.0 percent of total revenues in 2014-2015 (up from 13.5 percent in 2013-2014). Non-resident income taxes are a comparatively smaller source of revenues, accounting for only 2.2 percent of total revenues in 2014-2015, down from 2.4 percent in 2013-2014.

Other taxes and duties consist of revenues from the Goods and Services Tax (GST), energy taxes, customs import duties and other excise taxes and duties. The largest component of this category-GST revenues-accounted for 11.1 percent of all federal revenues in 2014-2015, down from 11.4 percent in 2013-2014. The share of the remaining components was unchanged at 5.6 percent of total federal revenues.

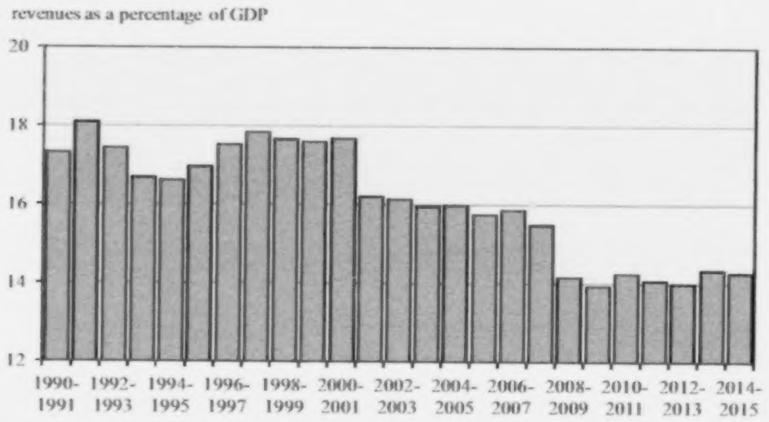
The last two categories of federal revenues, EI premium revenues and other revenues, which include such items as profits of enterprise Crown corporations, net foreign exchange and interest and penalties revenues, accounted for 8.0 and 11.0 percent of total federal revenues respectively in 2014-2015, unchanged from the previous year.

Composition of Revenues for 2014-2015



The revenue ratio — revenues as a percentage of GDP — compares the total of all federal revenues to the size of the economy. This ratio is influenced by changes in statutory tax rates and by economic developments. The ratio stood at 14.3 percent in 2014-2015, which was slightly lower than in 2013-2014. This relative decrease reflects the fiscal cost of tax relief measures for families announced in the fall of 2014 (notably the Family Tax Cut) as well as the fact that a number of one-time factors temporarily increased revenues and the revenue ratio in 2013-2014. Overall, the revenue ratio has declined since 2001-2002, due primarily to tax reduction measures.

Revenue Ratio



Revenues Compared to 2013-2014

The following table compares revenues for 2014-2015 to 2013-2014.

Revenues

			Change	
	2014-2015	2013-2014	Absolute	Percent
	(in millions of dollars)			%
Income tax revenues —				
Personal	135,743	130,811	4,932	3.8
Corporate	39,447	36,587	2,860	7.8
Non-resident	6,216	6,404	(188)	(2.9)
Total	**181,406**	**173,802**	**7,604**	**4.4**
Other taxes and duties —				
Goods and services tax	31,349	30,998	351	1.1
Energy taxes	5,528	5,486	42	0.8
Customs import duties	4,581	4,239	342	8.1
Other excise taxes and duties	5,724	5,413	311	5.7
Total	**47,182**	**46,136**	**1,046**	**2.3**
Employment insurance premiums	**22,564**	**21,766**	**798**	**3.7**
Other revenues	**31,194**	**29,973**	**1,221**	**4.1**
Total revenues	**282,346**	**271,677**	**10,669**	**3.9**

Total revenues increased by $10.7 billion in 2014-2015, reflecting growth in all major revenue streams.

Personal income tax revenues increased by $4.9 billion, or 3.8 percent, reflecting gains in personal income.

Corporate income tax revenues increased by $2.9 billion, or 7.8 percent, reflecting growth in corporate taxable income which was broadly distributed across industry sectors.

Non-resident income tax revenues decreased by $0.2 billion, or 2.9 percent. This decrease reflects one-time factors which raised 2013-2014 revenues but did not recur this year.

Other taxes and duties increased by $1.0 billion, or 2.3 percent. GST revenues grew by $0.4 billion in 2014-2015, or 1.1 percent, while energy taxes grew by $42 million, or 0.8 percent. Customs import duties and other excise taxes and duties each increased by $0.3 billion.

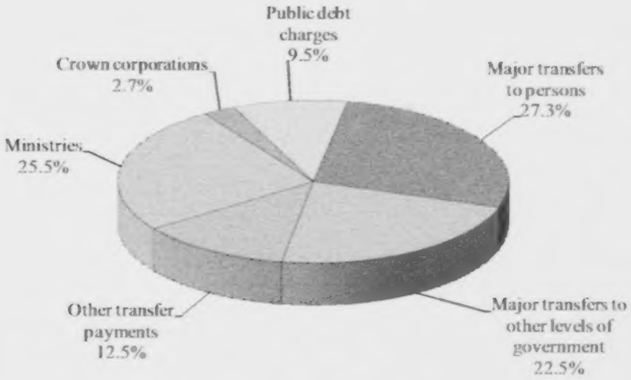
EI premium revenues increased by $0.8 billion, or 3.7 percent, reflecting growth in insurable earnings.

Other revenues increased by $1.2 billion, or 4.1 percent, in 2014-2015, largely reflecting an increase in revenues from Crown corporations, offset in part by a decrease in interest and penalties.

Expenses

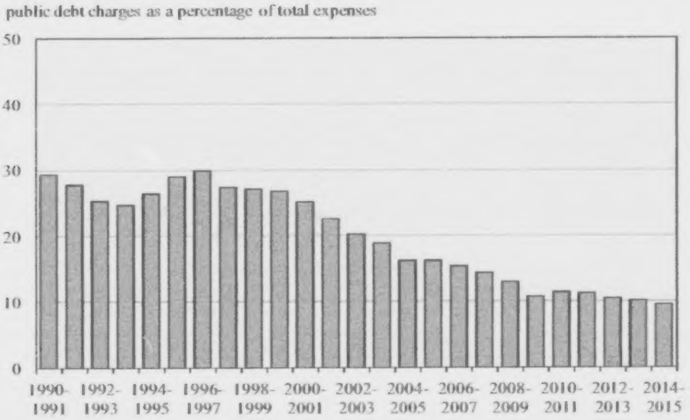
Federal expenses can be broken down into three main categories: transfer payments, which account for over half of all federal spending, other program expenses and public debt charges. Within these three main categories, the largest major component of expenses in 2014-2015 was major transfers to persons, which made up 27.3 percent of total expenses. This category consists of elderly benefits, EI benefits, the Canada Child Tax Benefit and the Universal Child Care Benefit. The second largest component of expenses was ministries expenses, which accounted for 25.5 percent of total expenses. Ministries expenses represent the operating expenses of more than 100 government departments and agencies, including National Defence. Major transfers to other levels of government — which include the Canada Health Transfer, the Canada Social Transfer, fiscal arrangements (Equalization, transfers to the territories, a number of smaller transfer programs and the Quebec Abatement), transfers to provinces on behalf of Canada's cities and communities, and other transfers — made up 22.5 percent of total expenses in 2014-2015. Other transfer payments, which include transfers to Aboriginal peoples, assistance to farmers, students and businesses, support for research and development, and foreign aid and international assistance, made up 12.5 percent of expenses, while Crown corporations accounted for 2.7 percent of total expenses. Public debt charges made up the remaining 9.5 percent of total expenses in 2014-2015.

Composition of Expenses for 2014-2015



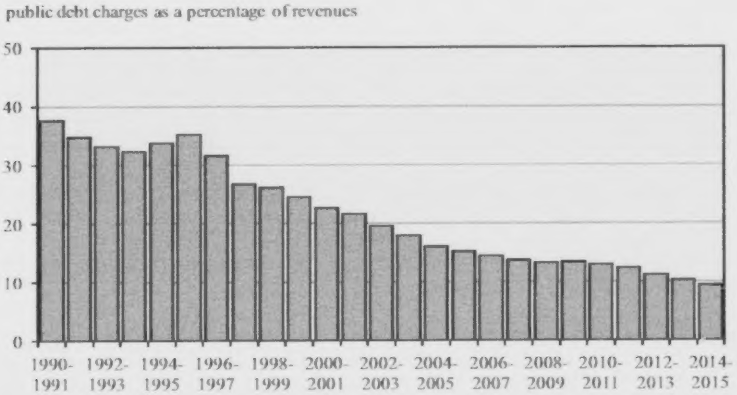
There has been a large shift in the composition of total expenses since the early 1990s. Public debt charges were the largest component for most of the 1990s, given the large and increasing stock of interest-bearing debt and high average effective interest rates on that stock of debt. Since reaching a high of nearly 30 percent of total expenses in 1996-1997, the share of public debt charges in total expenses has fallen by two-thirds.

Public Debt Charges



The interest ratio (public debt charges as a percentage of revenues) has been decreasing in recent years, falling from a peak of 37.6 percent in 1990-1991 to 10.4 percent in 2013-2014. The ratio continued to fall in 2014-2015, reaching 9.4 percent. This means that, in 2014-2015, the Government spent approximately 9 cents of every revenue dollar on interest on the public debt.

Interest Ratio



Expenses Compared to 2013-2014

Total expenses amounted to $280.4 billion in 2014-2015, up $3.6 billion, or 1.3 percent, from 2013-2014.

The following table compares total expenses for 2014-2015 to 2013-2014.

Expenses

			Change	
	2014-2015	2013-2014	Absolute	Percent
		(in millions of dollars)		%
Transfer payments —				
Major transfers to persons —				
Elderly benefits (1)	44,103	41,786	2,317	5.5
Employment insurance benefits	18,052	17,300	752	4.3
Children's benefits	14,303	13,136	1,167	8.9
Total	**76,458**	**72,222**	**4,236**	**5.9**
Major transfers to other levels of government —				
Federal transfer support for health and other social programs	44,696	42,758	1,938	4.5
Fiscal arrangements and other transfers	18,413	17,717	696	3.9
Total	**63,109**	**60,475**	**2,634**	**4.4**
Other transfer payments	35,126	36,698	(1,572)	(4.3)
Total transfer payments	**174,693**	**169,395**	**5,298**	**3.1**
Other program expenses —				
Crown corporations	7,590	7,484	106	(1.4)
Ministries	71,558	71,728	(170)	(0.2)
Total other program expenses	**79,148**	**79,212**	**(64)**	**(0.1)**
Program expenses	**253,841**	**248,607**	**5,234**	**2.1**
Public debt charges	**26,594**	**28,220**	**(1,626)**	**(5.8)**
Total expenses	**280,435**	**276,827**	**3,608**	**1.3**

(1) Elderly benefits consist of old age security benefits, guaranteed income supplement and spouse's allowance.

Major transfers to persons increased by $4.2 billion in 2014-2015, reflecting increases in elderly, children's and EI benefits. Elderly benefits increased by $2.3 billion, or 5.5 percent, reflecting growth in the elderly population and changes in consumer prices, to which benefits are fully indexed. This increase also reflects the accrual of retroactive benefit payments. Children's benefits, which consist of the Canada Child Tax Benefit and the Universal Child Care Benefit, increased by $1.2 billion, due mainly to the accrual of benefits related to the expansion and enhancement of the Universal Child Care Benefit for the January to March 2015 period. EI benefits increased by $0.8 billion in 2014-2015, reflecting higher average regular benefits, as well as increased special benefits (e.g. for maternity, parental and sickness purposes).

Major transfers to other levels of government increased by $2.6 billion in 2014-2015, primarily reflecting legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories.

Other transfer payments decreased by $1.6 billion, or 4.3 percent, in 2014-2015, largely reflecting the one-time accrual in 2013-2014 of a liability for disaster assistance related to the 2013 flood in Alberta as well as decreases in spending across a number of departments in 2014-2015. These decreases were offset in part by an increase in Aboriginal claims expenses.

Other program expenses decreased from $79.2 billion in 2013-2014 to $79.1 billion in 2014-2015, down $0.1 billion, or 0.1 percent. This spending component consists of operating expenses of Crown corporations, departments and agencies, including National Defence, as well as expenses related to the periodic reassessment of estimates and assumptions underlying the valuation of government assets and liabilities. Within this component, expenses of consolidated Crown corporations increased by $0.1 billion, or 1.4 percent, and operating expenses of departments and agencies decreased by $0.2 billion, or 0.2 percent.

Public debt charges decreased by $1.6 billion, or 5.8 percent, reflecting a lower average effective interest rate on the stock of interest-bearing debt.

Comparison of Actual Results to Budget Projections

Comparison to April 2015 Budget Plan

The $1.9-billion surplus recorded in 2014-2015 represents a $3.9 billion improvement over the $2.0-billion deficit projected in the April 2015 Budget. Revenues were $3.0 billion (1.1 percent) higher than expected, primarily reflecting gains in personal and corporate income tax revenues.

Program expenses were $0.8 billion lower than forecast, largely reflecting lower-than-expected direct program expenses, which are comprised of other transfer payments and other program expenses. This is attributed in part to a higher-than-expected lapse of departmental spending authorities.

Public debt charges in 2014-2015 were $0.1 billion lower than forecast in the April 2015 budget, reflecting a lower-than-expected average interest rate on the stock of interest bearing debt.

Comparison of 2014-2015 Outcomes to April 2015 Budget

	Projection	Actual	Difference
		(in millions of dollars)	
Revenues	279,323	282,346	3,023
Expenses			
Program expenses	254,632	253,841	(791)
Public debt charges	26,689	26,594	(95)
Total expenses	281,321	280,435	(886)
Annual deficit or (surplus)	**1,998**	**(1,911)**	**(3,909)**

Comparison to February 2014 Budget Plan

The 2014-2015 budgetary surplus represents a $4.0 billion improvement over the $2.1-billion deficit forecast in the February 2014 Budget, primarily reflecting higher-than-forecast revenues.

Revenues were $6.0 billion (2.2 percent) higher than forecast in the February 2014 budget, primarily reflecting stronger-than-expected growth in other revenues. Other revenues grew more than projected due in large part to foreign exchange gains, stronger-than-expected revenues from Crown corporations, and gains from asset sales in excess of amounts provisioned at the time of the Budget (including the fiscal gain realized on the transfer to Ontario of the Province's one-third portion of the Government's holdings of General Motors shares and spectrum auction revenues).

Total expenses were $2.0 billion higher than projected in the February 2014 budget.

Major transfers to persons were $1.8 billion higher than projected, almost entirely due to the introduction of the enhanced Universal Child Care Benefit. The February 2014 budget did not include any projections for the enhancement, which was announced in October 2014 and was effective January 2015.

Major transfers to other levels of government were $0.6 billion higher than forecast due to a lower-than-forecast value for the Quebec Abatement and also due to the settlement of an outstanding Stabilization claim with Quebec.

Direct program expenses, which are comprised of other transfer payments, Crown corporation expenses and Ministries' expenses, were $1.3 billion higher than projected in the February 2014 budget. Higher-than-expected direct program expenses were entirely due to Crown corporation expenses, which were $1.3 billion higher than expected. Other transfer payments, which were $0.7 billion lower than forecast, were offset by Ministries' operating expenses, which were $0.6 billion higher than forecast.

The higher-than-expected Crown corporation expenses were largely due to expenses of the Canadian Commercial Corporation, a Crown corporation that signed new defence export contracts, which resulted in both higher expenses and revenues. This was reflected in the April 2015 budget forecast.

Public debt charges in 2014-2015 were $1.6 billion lower than forecast in the February 2014 budget, largely reflecting a lower-than-expected average effective interest rate on the stock of market debt and lower adjustments on Real Return Bonds resulting from lower-than-expected inflation.

Comparison of 2014-2015 Outcomes to February 2014 Budget

	Budget (1)	Actual	Difference
		(in millions of dollars)	
Revenues —			
Income tax revenues	180,405	181,406	1,001
Other taxes and duties	47,049	47,182	133
Employment insurance premiums	22,655	22,564	(91)
Other revenues	26,229	31,194	4,965
Total revenues	**276,338**	**282,346**	**6,008**
Expenses —			
Program expenses			
Major transfers to persons	74,678	76,458	1,780
Major transfers to other levels of government	62,559	63,109	550
Other transfer payments	35,812	35,126	(686)
Other program expenses	77,192	79,148	1,956
Total program expenses	**250,241**	**253,841**	**3,600**
Public debt charges	**28,175**	**26,594**	**(1,581)**
Total expenses	**278,416**	**280,435**	**2,019**
Annual deficit or (surplus)	**2,078**	**(1,911)**	**(3,989)**

(1) To enhance comparability with actual 2014-2015 results, Budget 2014 amounts have been restated to reflect the change in the Government's accounting policy for bond buy-back operations in 2013-2014. This restatement has resulted in an $800 million decrease in budgeted public debt charges and a corresponding decrease in the budgeted 2014-2015 annual deficit.

Accumulated Deficit

The accumulated deficit is the difference between the Government's total liabilities and total assets. The annual change in the accumulated deficit represents the annual budgetary balance plus other comprehensive income or loss. Other comprehensive income or loss is comprised of certain unrealized gains and losses on financial instruments and certain actuarial gains and losses related to pensions and other employee future benefits reported by enterprise Crown corporations and other government business enterprises. Based on the recommendations of the Public Sector Accounting Board, other comprehensive income or loss is not included in the Government's annual budgetary balance, but is instead recorded directly to the Government's Consolidated Statement of Accumulated Deficit and Consolidated Statement of Change in Net Debt.

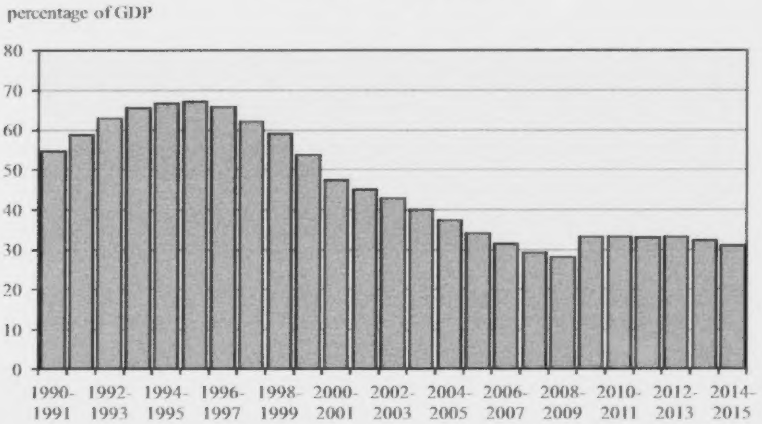
Accumulated Deficit

	2014-2015	2013-2014	Difference
		(in millions of dollars)	
Accumulated deficit at beginning of year	**611,881**	**609,391**	**2,490**
Annual (surplus) or deficit	(1,911)	5,150	(7,061)
Other comprehensive loss or (income)	2,360	(2,660)	5,020
Accumulated deficit at end of year	**612,330**	**611,881**	**449**

The accumulated deficit increased by $0.4 billion in 2014-2015, as the 2014-2015 budgetary surplus of $1.9 billion was more than offset by a $2.4 billion other comprehensive loss. The $2.4 billion other comprehensive loss reflects $0.5 billion in net unrealized losses on available-for-sale financial assets and $1.9 billion in net actuarial losses on pension and other employee future benefits recorded by enterprise Crown corporations and other government business enterprises.

As a percentage of GDP, the accumulated deficit has fallen from a post-World War II peak of 67.1 percent at March 31, 1996 to 31.0 percent at March 31, 2015.

Accumulated Deficit



As noted above, the accumulated deficit is the difference between the Government's total liabilities and total assets. Total liabilities include interest-bearing debt and accounts payable and accrued liabilities. Total assets include both financial and non-financial assets, the latter consisting primarily of capital assets. The following sections provide more details on each of these components.

Consolidated Statement of Financial Position

	2014-2015	2013-2014 [1]	Difference
		(in millions of dollars)	
Liabilities			
Accounts payable and accrued liabilities	123,631	111,730	11,901
Interest-bearing debt			
Unmatured debt	665,180	658,958	6,222
Pensions and other future benefits	228,804	225,121	3,683
Other liabilities	6,002	5,914	88
Total	899,986	889,993	9,993
Total liabilities	**1,023,617**	**1,001,723**	**21,894**
Financial assets			
Cash and accounts receivable	136,696	128,574	8,122
Foreign exchange accounts	85,018	72,262	12,756
Loans, investments and advances	113,681	117,635	(3,954)
Public sector pension assets	1,263	938	325
Total financial assets	**336,658**	**319,409**	**17,249**
Net debt	***686,959***	***682,314***	***4,645***
Non-financial assets	**74,629**	**70,433**	**4,196**
Accumulated deficit	***612,330***	***611,881***	***449***

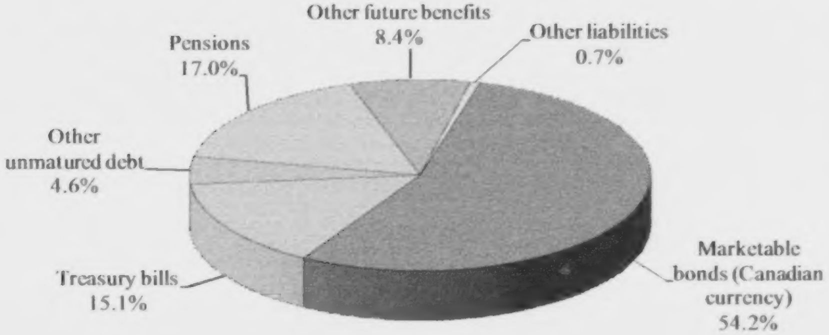
[1] Certain comparative figures have been reclassified to conform to the current year's presentation.

Interest-Bearing Debt

Interest-bearing debt includes unmatured debt, or debt issued on the credit markets, obligations for pensions and other future benefits, and other liabilities. Unmatured debt, which includes fixed-coupon marketable bonds, Real Return Bonds, treasury bills, retail debt (Canada Savings Bonds and Canada Premium Bonds), foreign-currency-denominated debt, and obligations related to capital leases, amounted to 73.9 percent of interest-bearing debt at March 31, 2015. Obligations for pensions and other future benefits include obligations for: federal public sector pension plans; disability and associated benefits available to war veterans, current and retired members of the Canadian Forces and the Royal Canadian Mounted Police, their survivors and dependants; health care and dental plans available to retired employees and their dependants; accumulated sick leave entitlements; severance benefits; workers' compensation benefits; and other future benefit plans maintained by consolidated Crown corporations and other entities. Obligations for federal public sector pension plans made up 17.0 percent of interest-bearing debt and other employee and veteran future benefits accounted for an additional 8.4 percent of interest-bearing debt. The remaining 0.7 percent of interest-bearing debt represents other interest-bearing liabilities of the Government, which include deposit and trust accounts and other specified purpose accounts.

The share of total interest-bearing debt represented by unmatured debt had been declining since the mid-1990s, as the Government was able to retire some of this debt. This trend reversed in 2008-2009 due to the increase in financial requirements stemming from the stimulus phase of the Economic Action Plan, as well as an increase in borrowings under the consolidated borrowing framework introduced in 2008. Under the consolidated borrowing framework, the Government finances all of the borrowing needs of the Canada Mortgage and Housing Corporation (CMHC), the Business Development Bank of Canada and Farm Credit Canada through direct lending in order to reduce overall borrowing costs and improve the liquidity of the government securities market.

Interest-Bearing Debt by Category for 2014-2015



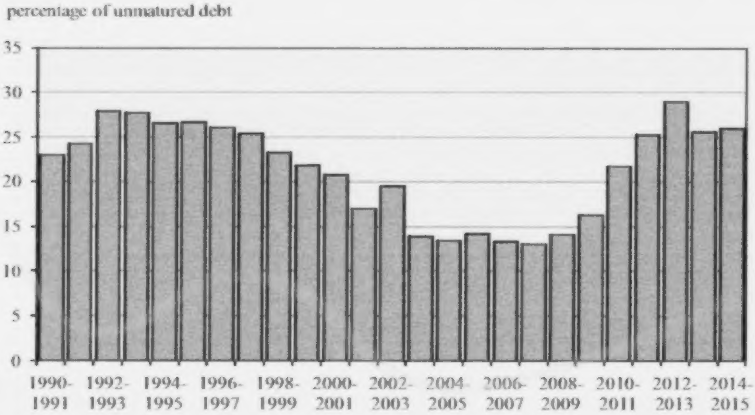
At March 31, 2015, interest-bearing debt totalled $900.0 billion, up $10.0 billion from March 31, 2014. Within interest-bearing debt, unmatured debt increased by $6.2 billion, liabilities for pensions decreased by $0.5 billion, liabilities for other employee and veteran future benefits increased by $4.2 billion, and other liabilities increased by $0.1 billion.

The $6.2 billion increase in unmatured debt largely reflects a $4.3 billion increase in the value of cross-currency swaps due to exchange rate movements and a $1.1 billion increase in unamortized discounts and premiums on market debt.

The Bank of Canada and the Department of Finance manage the Government's unmatured debt and associated risks. The fundamental objective of the debt management strategy is to provide stable, low-cost funding to meet the Government's financial obligations and liquidity needs. Details on the Government's debt management objectives and principles are tabled annually in Parliament through the Department of Finance's *Debt Management Strategy*.

Foreign holdings of the Government's unmatured debt are estimated at $172.9 billion, representing approximately 26.0 percent of the Government's total unmatured debt.

Foreign Holdings of Government of Canada Unmatured Debt



The Government's net liabilities for pensions and other future benefits stood at $227.5 billion at March 31, 2015, up $3.4 billion from the prior year. These net liabilities represent the estimated present value of future pension and other benefits earned to March 31, 2015 by current and former employees, net of the value of assets set aside to fund these obligations, as measured annually on an actuarial basis.

The following table illustrates the change in the Government's liabilities for pensions and other future benefits, net of public sector pension assets, in 2014-2015.

Net future benefit liabilities

	Pensions	Other future benefits	Total
		(in millions of dollars)	
Net future benefit liabilities at beginning of year [1]	**152,224**	**71,959**	**224,183**
Add:			
Benefits earned during the year	6,602	2,844	9,446
Interest on the accrued benefit obligations, net of the expected return on investments	7,796	2,857	10,653
Actuarial losses recognized during the year	999	2,037	3,036
Plan amendments, curtailments and settlements [2]	(57)	1,569	1,512
	15,340	9,307	24,647
Deduct:			
Benefits paid by employer during the year	10,468	5,059	15,527
Transfers to the PSPIB [3]	4,554		4,554
Transfers to external trusts [4]	282	1	283
Net transfers to other plans and administrative expenses	859	66	925
	16,163	5,126	21,289
Net (decrease) or increase	**(823)**	**4,181**	**3,358**
Net future benefit liabilities at end of year	**151,401**	**76,140**	**227,541**
Presented on the Consolidated Statement of Financial Position as:			
Public sector pension liabilities			152,664
Other employee and veteran future benefit liabilities			76,140
Total pension and other future benefit liabilities			228,804
Public sector pension assets			1,263
Net future benefit liabilities			**227,541**

(1) A significant class of pension and other future benefits related to consolidated Crown corporations and other entities was reclassified from other accounts payable and accrued liabilities to public sector pensions and other future benefits.

(2) Amounts shown include actuarial gains and losses recognized immediately upon a plan amendment, settlement or curtailment.

(3) With respect to the Government's funded pension plans, amounts equal to employer and employee contributions or Government and member contributions less benefits and other payments are transferred to the PSPIB for investment.

(4) Funds related to pension and other future benefit plans of consolidated Crown corporations and other entities are held in legally separate external trusts.

The increase in net liabilities for pensions and other future benefits in 2014-2015 reflects the addition of $9.4 billion in future benefits earned by employees during the year as well as $10.7 billion in net interest charges on the liabilities. Accounting standards require that liabilities due a long time into the future be recorded at their estimated present, or discounted, value. For the Government's funded pension benefits, which relate to post-March 2000 service under its three main pension plans — the public service, Canadian Forces – Regular Force, and Royal Canadian Mounted Police pension plans — as well as benefits under the Canadian Forces – Reserve Force pension plan, the discount rate is based on the streamed expected rates of return on invested funds. For benefits related to pre-April 2000 service under these main plans, as well as benefits under several smaller plans sponsored by the Government, which are unfunded, the discount rate is based on the streamed weighted average of long-term bond rates. For the Government's other future benefit plans, the discount rate reflects the expected long-term bond rate. Interest is recorded on the liabilities for pensions and other future benefits each year, net of the expected return on investments associated with funded benefits, to reflect the passage of time as the liabilities are one year closer to settlement. Net interest charges are recorded as part of public debt charges while benefits expense is recorded as part of ministries expenses on the Consolidated Statement of Operations and Accumulated Deficit.

The liabilities for pensions and other future benefits increased by an additional $3.0 billion in 2014-2015 due to the amortization of actuarial gains and losses. Actuarial gains and losses represent year-over-year increases or decreases in the estimated value of the Government's pension and other future benefit obligations and the value of related assets due to changes in actuarial assumptions or actual experience different from that previously estimated. Actuarial assumptions include future inflation, interest rates, return on investments, general wage increases, workforce composition, retirement rates and mortality rates. Under Canadian Public Sector Accounting Standards, which are set independently by the Public Sector Accounting Board, actuarial gains and losses are not recognized in the liabilities immediately but instead are amortized over the expected average remaining service life of plan contributors, which represents periods ranging from 4 to 23 years, according to the plan in question. As of March 31, 2015, the Government had net unamortized losses of $39.8 billion. These losses will be reflected over time in the liabilities and recorded as part of program expenses.

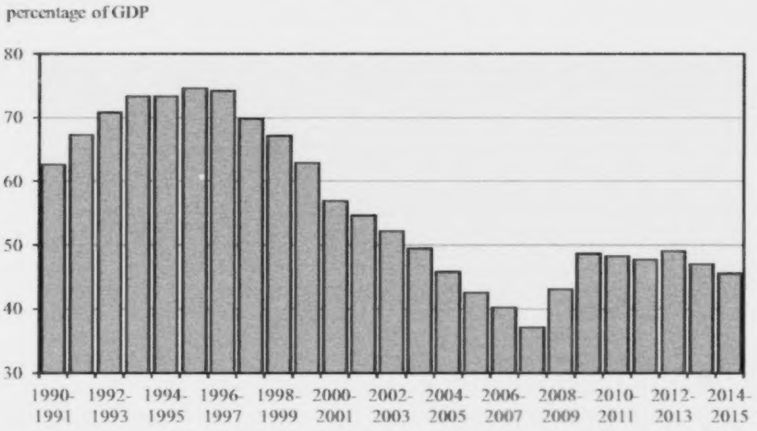
The Government also recorded a $1.5 billion increase in liabilities for pensions and other future benefits to reflect the net impact of plan amendments, curtailments and settlements during the year. The largest of these amendments relates to improvements made to and the expansion of eligibility for certain benefits under the Government's veterans future benefit plans.

These increases were offset in part by reductions in the liabilities for benefits paid by the employer during the year ($15.5 billion) and for net transfers to the PSPIB for investment ($4.6 billion).

Further details on the federal public sector pension plans and other employee and veteran future benefits are contained in Section 6 of this volume.

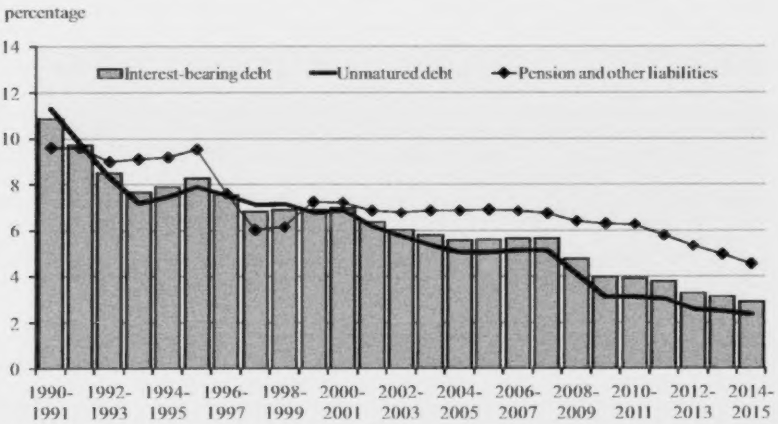
Interest-bearing debt stood at 45.6 percent of GDP in 2014-2015, down from 47.0 percent in 2013-2014. This ratio is down over 29 percentage points from its high of 74.6 percent in 1995-1996.

Interest-Bearing Debt



The average effective interest rate on the Government's interest-bearing debt in 2014-2015 was 3.0 percent, down from 3.2 percent in 2013-2014. The average effective interest rate on unmatured debt in 2014-2015 was 2.4 percent, while the average effective interest rate on pension and other liabilities was 4.7 percent. The average effective interest rate was higher on pension and other liabilities than on unmatured debt because the Government's unfunded pension liability is primarily credited with interest at rates that are calculated as though the amounts in the plans were invested in a notional portfolio of Government of Canada 20-year bonds held to maturity, whereas unmatured debt includes both short- and long-term securities.

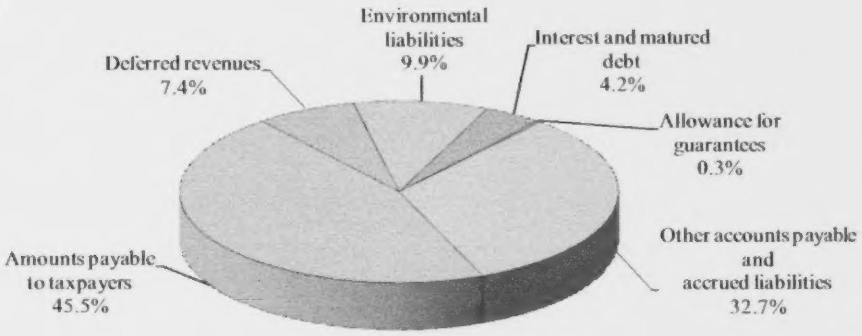
Average Effective Interest Rate on Interest-Bearing Debt



Accounts Payable and Accrued Liabilities

The following chart shows accounts payable and accrued liabilities by category for 2014-2015.

Accounts Payable and Accrued Liabilities by Category for 2014-2015



The Government's accounts payable and accrued liabilities consist of amounts payable to taxpayers based on assessments and estimates of refunds owing for tax assessments not completed by year end; environmental liabilities, which include estimated costs related to the remediation of contaminated sites and the future retirement of certain tangible capital assets; deferred revenue; interest due and matured debt, as well as accrued interest at year end; an allowance for guarantees provided by the Government; and other accounts payable and accrued liabilities. Other accounts payable and accrued liabilities include items such as accrued salaries and benefits, amounts payable to provinces, territories and Aboriginal governments for taxes collected and administered on their behalf in accordance with tax collection agreements, and amounts owing at year end pursuant to contractual arrangements or for work performed or goods received.

At March 31, 2015, accounts payable and accrued liabilities totalled $123.6 billion, up $11.9 billion from March 31, 2014. This increase is mainly due to growth in other accounts payable and accrued liabilities, deferred revenue and amounts payable to taxpayers.

Other accounts payable and accrued liabilities increased by $2.3 billion in 2014-2015. Within this component, accrued salaries and benefits increased by $1.1 billion, due mainly to the implementation of a payment-in-arrears payroll practice for government employees in 2014-2015. Liabilities under provincial, territorial and Aboriginal tax agreements increased by $1.0 billion in 2014-2015 due to settlements of prior year's tax assessments and timing differences.

Deferred revenue increased by $5.2 billion in 2014-2015. This increase is due in large part to a combined $4.7 billion in license fees received in 2014-2015 under the 700 megahertz wireless spectrum auction and Advanced Wireless Services auction. These fees will be recognized as other program revenues on a straight-line basis over the 20-year terms of the licenses.

Amounts payable to taxpayers increased by $3.6 billion in 2014-2015, from $52.6 billion at March 31, 2014 to $56.2 billion at March 31, 2015.

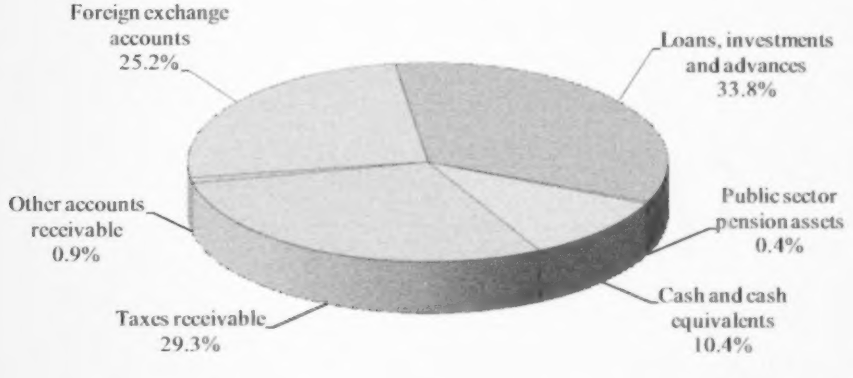
Environmental liabilities increased by $1.2 billion in 2014-2015, reflecting an increase in the estimated future costs related to remediation of contaminated sites.

Liabilities for interest and matured debt decreased by $0.3 billion from the prior year, reflecting lower interest rates, while allowances for guarantees provided by the Government decreased by $0.1 billion.

Financial Assets

Financial assets include cash on deposit with the Bank of Canada, chartered banks and other financial institutions, accounts receivable, foreign exchange accounts, loans, investments and advances, and public sector pension assets of consolidated Crown corporations and other entities. The Government's foreign exchange accounts include foreign currency deposits, investments in gold, and subscriptions and loans to the International Monetary Fund. Proceeds of the Government's foreign currency borrowings are held in the Exchange Fund Account to provide foreign currency liquidity and provide funds needed to promote orderly conditions for the Canadian dollar in the foreign exchange markets. Further details on the management of international reserves are available in the Government's annual *Report on the Management of Canada's Official International Reserves*. The Government's loans, investments and advances include its investments in and loans to enterprise Crown corporations, loans to national governments mainly for financial assistance and development of export trade, and loans under the Canada Student Loans Program.

Financial Assets by Category for 2014-2015



At March 31, 2015, financial assets amounted to $336.7 billion, up $17.2 billion from March 31, 2014. The increase in financial assets largely reflects an increase in the Government's foreign exchange accounts and an increase in taxes and other accounts receivable.

At March 31, 2015, cash and cash equivalents totalled $35.0 billion, up $3.6 billion from March 31, 2014. Included in the March 31, 2015 balance of cash and cash equivalents is $20 billion which has been designated as a deposit held at the Bank of Canada with respect to prudential liquidity management. The Government's overall liquidity is maintained at a level sufficient to cover at least one month of net projected cash flows, including coupon payments and debt refinancing needs.

Taxes receivable increased by $6.0 billion during 2014-2015 to $98.5 billion, while other accounts receivable decreased by $1.5 billion.

Foreign exchange accounts increased by $12.8 billion in 2014-2015, totalling $85.0 billion at March 31, 2015. The increase in foreign exchange accounts is due mainly to growth in foreign exchange reserves held in the Exchange Fund Account, primarily reflecting $8.4 billion in net additional advances to the Account during the year and $5.4 billion in foreign exchange gains. Under the Government's prudential liquidity plan, liquid foreign exchange reserves will continue to rise sufficiently to maintain their level at or above 3 percent of GDP.

Loans, investments and advances to enterprise Crown corporations and other government business enterprises decreased by $5.4 billion in 2014-2015. Net loans and advances decreased by $7.9 billion due mainly to the repayment of principal on assets maturing under the Insured Mortgage Purchase Program (IMPP) administered by Canada Mortgage and Housing Corporation (CMHC), while investments in Crown corporations and other government business enterprises increased by $2.5 billion. This $2.5 billion increase reflects $8.4 billion in net profits recorded by these corporations and enterprises during 2014-2015, offset in part by $2.4 billion in other comprehensive losses and $3.5 billion in dividends paid to the Government and other equity transactions.

Other loans, investments and advances increased by $1.5 billion, from $22.8 billion to $24.3 billion.

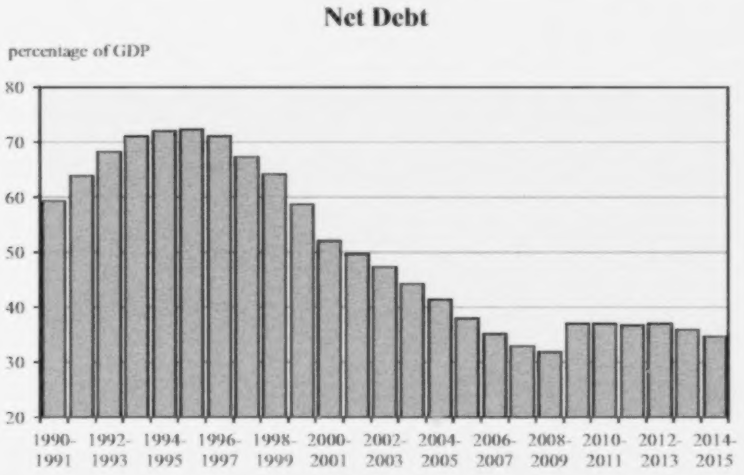
Public sector pension assets increased by $0.3 billion.

Since the accumulated deficit reached its post-World War II peak of 67.1 percent of GDP at March 31, 1996, financial assets have increased by $244.0 billion reflecting higher levels of cash and cash equivalents and accounts receivable (up $84.1 billion), an increase in the foreign exchange accounts (up $66.0 billion), and an increase in loans, investments and advances (up $92.7 billion). The increase in cash and cash equivalents and accounts receivable is largely attributable to growth in taxes receivable, broadly in line with the growth in the applicable tax bases. The increase in the foreign exchange accounts reflects a decision by the Government in the late 1990s and more recently in the 2011-2012 *Debt Management Strategy* to increase liquidity in these accounts. The increase in loans, investments and advances is attributable to several factors including the accumulation of net profits from enterprise Crown corporations, the Government taking over the financing of the Canada Student Loans Program from the chartered banks in 2000, and the issuance of direct loans to Crown corporations under the Government's consolidated borrowing framework implemented in 2008.

Net Debt

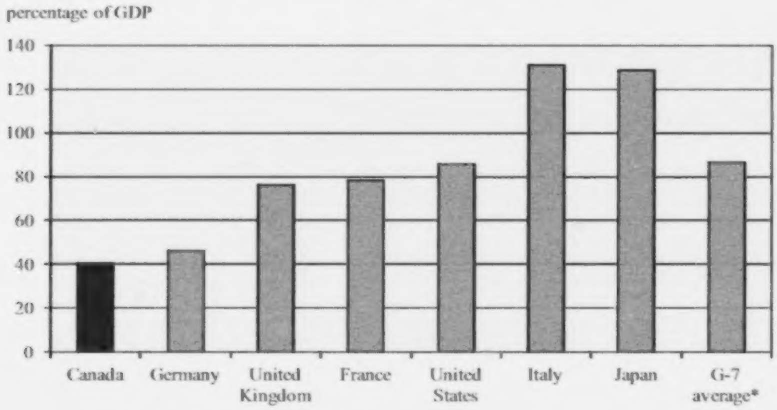
The Government's net debt — its total liabilities less financial assets — stood at $687.0 billion at March 31, 2015. Net debt was 34.8 percent of GDP, down 1.2 percentage points from a year earlier, and 37.7 percentage points below its peak of 72.5 percent at March 31, 1996.

This ratio measures debt relative to the ability of the country's taxpayers to finance it. Total liabilities are reduced only by financial assets as non-financial assets cannot normally be converted to cash to pay off the debt without disrupting government operations.



Canada Has the Lowest Total Government Net Debt Burden Among G-7 Countries

G-7 Total Government Net Debt, 2014



*Weighted by GDP on a Purchasing Power Parity (PPP) basis.
Source: OECD Economic Outlook, No. 97 (June 2015).

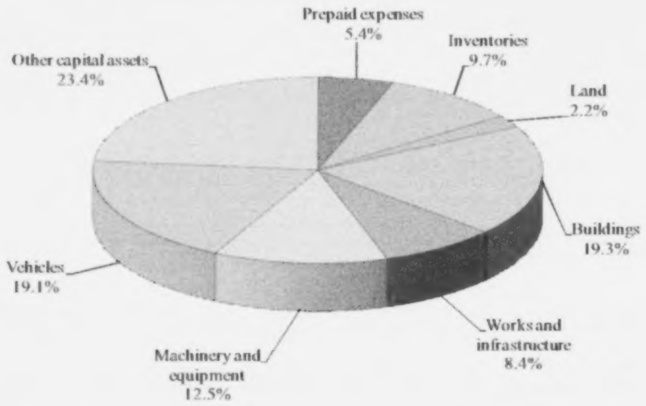
Canada's total government net debt-to-GDP ratio stood at 40.4 percent in 2014, according to the OECD. This is the lowest level among G-7 countries, which the OECD estimates will record an average net debt of 86.8 percent of GDP in that same year.

International comparisons of net debt are made on a total government, National Accounts basis, which for Canada includes the net debt of federal, provincial/territorial and local governments, as well as the net assets held in the Canada Pension Plan and Quebec Pension Plan.

Non-Financial Assets

Non-financial assets include the net book value of the Government's tangible capital assets, which include land, buildings, works and infrastructure such as roads and bridges, machinery and equipment, ships, aircraft and other vehicles. Non-financial assets also include inventories and prepaid expenses and other non-financial assets.

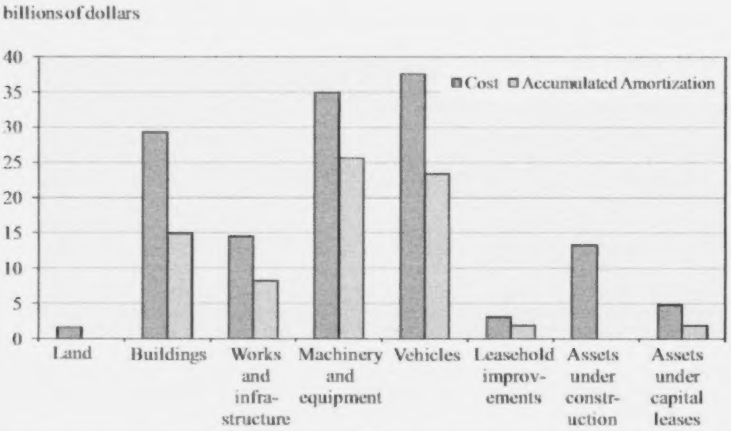
Non-Financial Assets by Category for 2014-2015



At March 31, 2015, non-financial assets stood at $74.6 billion, up $4.2 billion from a year earlier. Of this growth, $1.4 billion relates to an increase in tangible capital assets while $2.9 billion relates to an increase in prepaid expenses and other non-financial assets. This latter increase is due mainly to growth in advances and progress payments to Canadian exporters made by the Canadian Commercial Corporation.

At March 31, 2015, roughly 61 percent of the original cost of the Government's depreciable tangible capital assets had been amortized, unchanged from a year earlier. Depreciable tangible capital assets exclude land, and assets under construction which are not yet available for use.

Tangible Capital Asset Cost and Accumulated Amortization



Cash Flow

The annual surplus or deficit is presented on an accrual basis of accounting, recognizing revenue in the period it is earned and expenses when incurred, regardless of when the associated cash is received or paid. In contrast, the Government's net cash flow measures the difference between cash coming in to the Government and cash going out.

In 2014-2015, the Government had a total cash source of $3.2 billion before financing activities, compared to a total cash source of $23.2 billion before financing activities in 2013-2014. Operating activities resulted in a net cash requirement of $0.1 billion in 2014-2015, compared to a net cash requirement of $14.5 billion in 2013-2014, reflecting in part the improvement in the budgetary balance. Cash used by capital investment activities totalled $5.9 billion in 2014-2015, down from $6.3 billion last year. Cash provided by investing activities decreased by $34.8 billion, from $44.0 billion in 2013-2014 to $9.2 billion in 2014-2015, reflecting the wind-down of repayments of principal on assets maturing under the IMPP.

Cash Flow

	2014-2015	2013-2014
	(in millions of dollars)	
Cash used by operating activities	(103)	(14,520)
Cash used by capital investment activities	(5,850)	(6,254)
Cash provided by investing activities	9,156	43,989
Total cash provided before financing activities	*3,203*	*23,215*
Cash provided or (used) by financing activities	367	(19,127)
Net increase in cash	3,570	4,088
Cash and cash equivalents at beginning of year	31,429	27,341
Cash and cash equivalents at end of year	34,999	31,429

Financing activities generated an additional $0.4 billion source of cash in 2014-2015, resulting in an overall net increase in cash of $3.6 billion. The level of cash and cash equivalents stood at $35.0 billion at March 31, 2015.

Risks and Uncertainties

As noted in the budget and related documents, the Government's revenues and expenses are highly sensitive to changes in economic conditions — particularly to changes in economic growth, inflation and interest rates.

To illustrate the impact of changes in economic conditions, the Department of Finance publishes, on a regular basis, sensitivity impacts on the budgetary balance. These are "rules of thumb" as the actual impact will depend on many other factors as well. As published in the April 21, 2015 budget, these show, for example, that:

- A one-year, 1-percentage-point decrease in real GDP growth would lower the budgetary balance by $4.1 billion in the first year, $4.7 billion in the second year, and $5.2 billion in the fifth year.
- A one-year, 1-percentage-point decrease in GDP inflation would lower the budgetary balance by $1.9 billion in the first year, $1.7 billion in the second year, and $1.5 billion in the fifth year.
- A sustained 100-basis-point increase in interest rates would lower the budgetary balance by $0.5 billion in the first year, $1.2 billion in the second year, and $2.0 billion in the fifth year.

While these generalized rules of thumb provide good estimates of the sensitivity of the budgetary balance to small economic changes, it is important to note that some of the estimated relationships would change in response to large economic changes.

Ten Year Comparative Financial Information

The following tables provide a ten year comparison of financial information based on the accounting policies explained in Note 1 to the audited consolidated financial statements in Section 2 of this volume.

Table 1.1

Government of Canada — Detailed Consolidated Statement of Operations and Accumulated Deficit

(in millions of dollars)

	Year ended March 31									
	2006	2007	2008	2009	2010	2011	2012 [2]	2013 [1]	2014	2015
Revenues —										
Tax Revenues —										
Income tax revenues —										
Personal	103,770	110,575	113,528	116,612	105,040	114,661	120,537	125,728	130,811	135,743
Corporate	33,209	39,361	42,212	31,243	32,247	31,953	33,641	34,986	36,587	39,447
Non-resident	4,529	4,877	5,693	6,298	5,293	5,137	5,300	5,073	6,404	6,216
	141,508	*154,813*	*161,433*	*154,153*	*142,580*	*151,751*	*159,478*	*165,787*	*173,802*	*181,406*
Other taxes and duties —										
Goods and services tax	33,020	31,296	29,920	25,740	26,947	28,379	28,370	28,821	30,998	31,349
Energy taxes	5,076	5,128	5,139	5,161	5,178	5,342	5,328	5,381	5,486	5,528
Customs import duties	3,330	3,704	3,903	4,036	3,490	3,520	3,862	3,979	4,239	4,581
Other excise taxes and duties	4,730	5,189	5,245	4,869	4,958	5,662	5,546	5,370	5,413	5,724
	46,156	*45,317*	*44,207*	*39,806*	*40,573*	*42,903*	*43,106*	*43,551*	*46,136*	*47,182*
Total tax revenues	***187,664***	***200,130***	***205,640***	***193,959***	***183,153***	***194,654***	***202,584***	***209,338***	***219,938***	***228,588***
Employment Insurance Premiums	***16,535***	***16,789***	***16,558***	***16,887***	***16,761***	***17,501***	***18,556***	***20,395***	***21,766***	***22,564***
Other Revenues —										
Crown corporations	7,198	7,503	6,504	7,760	7,622	12,937	12,024	11,448	11,455	13,480
Other programs	10,932	12,261	14,951	16,944	12,920	13,939	14,274	13,952	16,836	16,359
Net foreign exchange	2,014	1,714	1,872	1,736	1,647	1,809	1,669	1,502	1,682	1,355
Total other revenues	***20,144***	***21,478***	***23,327***	***26,440***	***22,189***	***28,685***	***27,967***	***26,902***	***29,973***	***31,194***
Total Revenues	**224,343**	**238,397**	**245,525**	**237,286**	**222,103**	**240,840**	**249,107**	**256,635**	**271,677**	**282,346**
Expenses —										
Transfer Payments —										
Old age security benefits, guaranteed income supplement and spouse's allowance	28,992	30,284	31,955	33,377	34,653	35,629	38,045	40,255	41,786	44,103
Major transfer payments to other levels of government —										
Canada health transfer	19,000	20,140	21,474	22,759	24,820	26,031	27,174	28,912	30,543	32,114
Canada social transfer	8,225	8,500	9,872	10,568	10,858	11,179	11,514	11,860	12,215	12,582
Fiscal arrangements	9,650	9,856	11,850	12,164	13,490	13,826	15,259	15,595	15,610	16,271
Other major transfers	3,882	3,985	2,923	985	7,772	1,751	2,847	2,003	2,107	2,142
	40,757	*42,481*	*46,119*	*46,476*	*56,940*	*52,787*	*56,794*	*58,370*	*60,475*	*63,109*
Employment insurance benefits	14,417	14,084	14,298	16,308	21,586	19,850	17,647	17,099	17,300	18,052
Children's benefits	9,200	11,214	11,894	11,901	12,340	12,656	12,726	12,975	13,136	14,303
Other transfer payments	28,634	30,693	31,269	34,793	45,949	43,155	37,720	34,862	36,698	35,126
Total transfer payments	***122,000***	***128,756***	***135,535***	***142,855***	***171,468***	***164,077***	***162,932***	***163,561***	***169,395***	***174,693***
Other Program Expenses —										
Crown corporations	5,076	5,109	5,185	5,859	7,400	7,584	8,198	9,512	7,484	7,590
Ministries	50,277	56,835	61,883	63,337	69,419	71,680	73,176	73,106	71,728	71,558
Total other program expenses	***55,353***	***61,944***	***67,068***	***69,196***	***76,819***	***79,264***	***81,374***	***82,618***	***79,212***	***79,148***
Total program expenses	***177,353***	***190,700***	***202,603***	***212,051***	***248,287***	***243,341***	***244,306***	***246,179***	***248,607***	***253,841***
Public Debt Charges	***33,772***	***33,945***	***33,325***	***30,990***	***29,414***	***30,871***	***31,080***	***28,871***	***28,220***	***26,594***
Total Expenses	**211,125**	**224,645**	**235,928**	**243,041**	**277,701**	**274,212**	**275,386**	**275,050**	**276,827**	**280,435**
Annual (Surplus) or Deficit	**(13,218)**	**(13,752)**	**(9,597)**	**5,755**	**55,598**	**33,372**	**26,279**	**18,415**	**5,150**	**(1,911)**
Accumulated Deficit at Beginning of Year	**494,717**	**481,499**	**467,268**	**457,637**	**463,710**	**519,097**	**551,668**	**591,040**	**609,391**	**611,881**
International Financial Reporting Standards transition adjustment							**3,337**			
Other Comprehensive (Income) or Loss		**(479)**	**(34)**	**318**	**(211)**	**(2,142)**	**2,292**	**(64)**	**(2,660)**	**2,360**
Accumulated Deficit at End of Year	**481,499**	**467,268**	**457,637**	**463,710**	**519,097**	**550,327**	**583,576**	**609,391**	**611,881**	**612,330**

[1] The 2013 Accumulated Deficit at Beginning of Year has been adjusted to include the restatement amount of $5,669 million and $1,795 million for the buy-back of bonds and the loans expected to be repaid from future appropriations done in the course of the fiscal year 2013-2014.

[2] The 2012 Accumulated Deficit at Beginning of Year has been adjusted to include the restatement amount of $1,341 million for accumulated sick leave entitlements that was done in the course of the fiscal year 2012-2013.

Table 1.2

Government of Canada — Detailed Consolidated Statement of Financial Position

(in millions of dollars)

	As at March 31 [1]									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Liabilities										
Accounts Payable and Accrued Liabilities —										
Other accounts payable and accrued liabilities	46,477	49,136	45,398	43,645	53,171	50,830	54,911	43,563	38,096	40,420
Amounts payable to taxpayers	38,402	41,388	49,010	50,845	48,251	48,648	50,952	54,877	52,600	56,198
Environmental liabilities	5,861	6,062	6,669	6,342	6,602	7,745	8,362	10,600	11,143	12,296
Deferred revenue	1,786	1,594	1,602	5,734	5,113	4,512	3,893	3,321	3,920	9,160
Interest and matured debt	7,875	7,516	7,182	6,919	6,853	6,733	6,379	5,955	5,585	5,240
Allowance for guarantees	1,031	815	602	514	535	592	506	428	386	317
Total accounts payable and accrued liabilities	***101,432***	***106,511***	***110,463***	***113,999***	***120,525***	***119,060***	***125,003***	***118,744***	***111,730***	***123,631***
Interest-bearing Debt —										
Unmatured debt —										
Payable in Canadian currency —										
Marketable bonds	261,134	257,482	253,550	295,186	367,962	416,080	448,140	469,039	473,319	487,881
Treasury bills	131,597	134,074	116,936	192,275	175,849	162,980	163,221	180,689	152,990	135,692
Retail debt	17,342	15,175	13,068	12,532	11,855	10,141	8,922	7,481	6,327	5,660
Bonds for Canada Pension Plan	3,102	1,743	1,042	523	452	27	11			
	413,175	*408,474*	*384,596*	*500,516*	*556,118*	*589,228*	*620,294*	*657,209*	*632,636*	*629,233*
Payable in foreign currencies	14,085	10,372	9,498	10,381	8,243	7,628	10,715	10,802	16,030	20,267
Cross-currency swap revaluation	(2,258)	(1,091)	(1,420)	3,690	(4,233)	(5,091)	(4,448)	(3,419)	2,326	6,669
Unamortized discounts and premiums on market debt	(6,780)	(6,659)	(6,213)	(4,751)	(5,092)	(4,485)	(4,295)	3,231	3,184	4,296
Obligation related to capital leases	2,927	3,096	4,236	4,184	4,090	3,685	3,633	3,647	3,603	3,710
Other unmatured debt						190	453	917	1,179	1,005
Total unmatured debt	*421,149*	*414,192*	*390,697*	*514,020*	*559,126*	*591,155*	*626,352*	*672,387*	*658,958*	*665,180*
Pensions and other future benefits										
Public sector pensions	131,062	134,726	137,371	139,909	142,843	146,135	148,911	151,667	153,162	152,664
Other employee and veteran future benefits	43,369	45,123	47,901	50,311	54,227	58,206	61,915	67,301	71,959	76,140
Total pensions and other future benefits	*174,431*	*179,849*	*185,272*	*190,220*	*197,070*	*204,341*	*210,826*	*218,968*	*225,121*	*228,804*
Due to Canada Pension Plan	151	54	106	90	175	23	138	68	140	212
Other liabilities	5,342	5,157	5,789	5,833	6,412	6,292	6,795	5,978	5,774	5,790
Total interest-bearing debt	***601,073***	***599,252***	***581,864***	***710,163***	***762,783***	***801,811***	***844,111***	***897,401***	***889,993***	***899,986***
Total Liabilities	**702,505**	**705,763**	**692,327**	**824,162**	**883,308**	**920,871**	**969,114**	**1,016,145**	**1,001,723**	**1,023,617**
Financial Assets										
Cash and Accounts Receivable —										
Cash and cash equivalents	21,149	22,696	13,729	46,985	28,450	14,323	17,143	27,341	31,429	34,999
Taxes receivable	59,113	66,492	65,902	71,911	69,063	78,626	86,006	92,115	92,489	98,499
Other accounts receivable	2,581	3,398	3,247	3,251	3,692	3,958	4,513	4,698	4,656	3,198
Total cash and accounts receivable	***82,843***	***92,586***	***82,878***	***122,147***	***101,205***	***96,907***	***107,662***	***124,154***	***128,574***	***136,696***
Foreign Exchange Accounts —										
International reserves held in the Exchange Fund Account	40,936	44,673	42,904	51,194	53,701	54,041	62,141	63,381	77,365	91,961
International Monetary Fund — Subscriptions	10,673	11,106	10,752	12,011	9,823	9,792	9,842	9,694	10,883	11,129
International Monetary Fund — Loans					337	1,139	1,325	1,457	1,665	1,353
Less: International Monetary Fund — Notes payable and special drawing rights allocations	10,782	11,601	11,357	11,496	16,911	16,465	16,311	15,773	17,651	19,425
Total foreign exchange accounts	***40,827***	***44,178***	***42,299***	***51,709***	***46,950***	***48,507***	***56,997***	***58,759***	***72,262***	***85,018***
Loans, Investments and Advances —										
Enterprise Crown corporations and other government business enterprises	20,584	23,683	30,167	104,049	129,523	135,673	130,662	131,785	94,815	89,375
Other loans, investments and advances	21,305	21,411	20,702	21,044	23,158	22,876	22,258	23,134	22,820	24,306
Total loans, investments and advances	***41,889***	***45,094***	***50,869***	***125,093***	***152,681***	***158,549***	***152,920***	***154,919***	***117,635***	***113,681***
Public sector pension assets									***938***	***1,263***
Total Financial Assets	**165,559**	**181,858**	**176,046**	**298,949**	**300,836**	**303,963**	**317,579**	**337,832**	**319,409**	**336,658**
Net Debt	**536,946**	**523,905**	**516,281**	**525,213**	**582,472**	**616,908**	**651,535**	**678,313**	**682,314**	**686,959**
Non-financial Assets										
Tangible capital assets	48,355	49,036	51,175	53,326	55,054	57,668	59,047	60,241	61,942	63,347
Inventories	5,875	5,988	6,248	6,348	6,192	6,830	6,996	7,453	7,316	7,250
Prepaid expenses and other	1,217	1,613	1,221	1,829	2,129	2,083	1,916	1,228	1,175	4,032
Total Non-financial Assets	**55,447**	**56,637**	**58,644**	**61,503**	**63,375**	**66,581**	**67,959**	**68,922**	**70,433**	**74,629**
Accumulated Deficit	**481,499**	**467,268**	**457,637**	**463,710**	**519,097**	**550,327**	**583,576**	**609,391**	**611,881**	**612,330**

[1] Certain comparative figures have been reclassified to conform to current year's presentation. In particular, the 2014 comparative figures have been reclassified to segregate a significant class of pensions and other employee future benefits related to consolidated Crown corporations and other entities which were included in other accounts payable and accrued liabilities. The comparative figures for the previous years have not been reclassified.

Table 1.3

Government of Canada — Detailed Consolidated Statement of Change in Net Debt

(in millions of dollars)

	Year ended March 31									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Debt at Beginning of Year — as Previously Reported	**549,587**	**536,946**	**523,905**	**516,281**	**525,213**	**582,472**	**616,908**	**650,135**	**671,363**	**682,314**
Accounting Changes and Restatement										
Accumulated sick leave entitlements							1,341	1,400		
Unamortized premiums and discounts on the buy-back of bonds								5,669	5,387	
Loans expected to be repaid from future appropriations								1,795	1,563	
Net Debt at Beginning of Year — as Restated							**618,249**	**658,999**	**678,313**	**682,314**
International Financial Reporting Standards transition adjustment							**3,337**			
Change in Net Debt during the Year —										
Annual (Surplus) or Deficit	**(13,218)**	**(13,752)**	**(9,597)**	**5,755**	**55,598**	**33,372**	**26,279**	**18,415**	**5,150**	**(1,911)**
Change due to Tangible Capital Assets —										
Acquisition of tangible capital assets	4,046	4,789	5,957	6,249	7,136	8,061	6,976	7,175	7,129	7,204
Amortization of tangible capital assets	(3,904)	(3,807)	(3,954)	(4,176)	(4,418)	(4,756)	(4,859)	(5,184)	(4,865)	(5,090)
Proceeds from disposal of tangible capital assets	(146)	(202)	(440)	(608)	(297)	(447)	(664)	(407)	(875)	(954)
Net (loss) or gain on disposal of tangible capital assets, including adjustments	149	(99)	576	686	(693)	(244)	(74)	(390)	312	245
Total change due to tangible capital assets	*145*	*681*	*2,139*	*2,151*	*1,728*	*2,614*	*1,379*	*1,194*	*1,701*	*1,405*
Change due to Inventories	**350**	**113**	**260**	**100**	**(156)**	**638**	**166**	**457**	**(137)**	**(66)**
Change due to Prepaid Expenses	**82**	**396**	**(392)**	**608**	**300**	**(46)**	**(167)**	**(688)**	**(53)**	**2,857**
Net (Decrease) or Increase in Net Debt due to Operations	**(12,641)**	**(12,562)**	**(7,590)**	**8,614**	**57,470**	**36,578**	**27,657**	**19,378**	**6,661**	**2,285**
Other Comprehensive (Income) or Loss		**(479)**	**(34)**	**318**	**(211)**	**(2,142)**	**2,292**	**(64)**	**(2,660)**	**2,360**
Net (Decrease) or Increase in Net Debt	**(12,641)**	**(13,041)**	**(7,624)**	**8,932**	**57,259**	**34,436**	**29,949**	**19,314**	**4,001**	**4,645**
Net Debt at End of Year	**536,946**	**523,905**	**516,281**	**525,213**	**582,472**	**616,908**	**651,535**	**678,313**	**682,314**	**686,959**

Table 1.4

Government of Canada — Detailed Consolidated Statement of Cash Flow

(in millions of dollars)

	Year ended March 31[1]									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Activities —										
Annual Surplus or (Deficit)	**13,218**	**13,752**	**9,597**	**(5,755)**	**(55,598)**	**(33,372)**	**(26,279)**	**(18,415)**	**(5,150)**	**1,911**
Items not affecting cash —										
Share of annual profit in enterprise Crown corporations and other government business enterprises	(5,041)	(5,336)	(4,256)	(4,773)	(2,306)	(6,992)	(5,350)	(4,995)	(5,945)	(8,365)
Amortization of tangible capital assets	3,904	3,807	3,954	4,176	4,418	4,756	4,859	5,184	4,865	5,090
Net loss or (gain) on disposal of tangible capital assets, including adjustments	(149)	99	(576)	(686)	693	244	74	390	(312)	(245)
Change in taxes receivable	(5,636)	(7,379)	590	(6,009)	2,848	(9,563)	(7,380)	(6,109)	(374)	(6,010)
Change in pensions and other future benefits	3,303	5,418	5,423	4,948	6,850	7,271	5,144	8,142	5,215	3,358
Change in foreign exchange accounts	44	(3,351)	1,879	(9,410)	4,759	(1,557)	(8,490)	(1,762)	(13,503)	(12,756)
Change in accounts payable and accrued liabilities	3,692	5,079	3,952	3,536	6,526	(1,465)	5,943	(6,259)	(7,014)	11,901
Change in cross-currency swap revaluation	(1,336)	1,668	(329)	5,110	(7,923)	(858)	643	1,029	5,745	4,343
Net change in other accounts	(3,530)	(1,667)	1,797	2,752	2,281	(129)	1,844	1,175	1,953	670
Cash provided or (used) by operating activities	**8,469**	**12,090**	**22,031**	**(6,111)**	**(37,452)**	**(41,665)**	**(28,992)**	**(21,620)**	**(14,520)**	**(103)**
Capital Investment Activities —										
Acquisition of tangible capital assets	(4,046)	(4,789)	(5,957)	(6,249)	(7,136)	(8,061)	(6,976)	(7,175)	(7,129)	(6,804)
Proceeds from disposal of tangible capital assets	146	202	440	608	297	447	664	407	875	954
Cash used by capital investment activities	**(3,900)**	**(4,587)**	**(5,517)**	**(5,641)**	**(6,839)**	**(7,614)**	**(6,312)**	**(6,768)**	**(6,254)**	**(5,850)**
Investing Activities —										
Enterprise Crown corporations and other government business enterprises —										
Equity transactions	2,012	2,602	2,436	1,495	(3,226)	2,818	2,684	1,445	5,165	3,514
Issuance of loans and advances	(198)	(3,713)	(5,052)	(132,057)	(119,755)	(76,579)	(63,389)	(65,183)	(70,328)	(79,905)
Repayment of loans and advances	331	3,894	435	60,688	99,921	76,677	65,286	66,156	110,259	88,168
Issuance of other loans, investments and advances	(6,861)	(16,969)	(6,571)	(6,910)	(21,174)	(5,858)	(7,679)	(5,533)	(5,525)	(8,124)
Repayment of other loans, investments and advances	5,182	16,475	6,883	5,041	16,620	5,814	6,858	4,221	4,418	5,503
Cash provided or (used) by investing activities	**466**	**2,289**	**(1,869)**	**(71,743)**	**(27,614)**	**2,872**	**3,760**	**1,106**	**43,989**	**9,156**
Total Cash Generated or (Used) Before Financing Activities	**5,035**	**9,792**	**14,645**	**(83,495)**	**(71,905)**	**(46,407)**	**(31,544)**	**(27,282)**	**23,215**	**3,203**
Financing Activities —										
Issuance of Canadian currency borrowings	363,824	369,354	343,755	531,668	554,892	553,464	567,707	579,456	512,009	468,021
Repayment of Canadian currency borrowings	(366,123)	(373,886)	(366,493)	(415,801)	(499,383)	(520,569)	(536,430)	(542,063)	(536,364)	(471,891)
Issuance of foreign currency borrowings	15,859	11,586	11,099	24,500	22,212	8,195	12,743	7,782	12,011	16,961
Repayment of foreign currency borrowings	(18,061)	(15,299)	(11,973)	(23,616)	(24,351)	(8,810)	(9,656)	(7,695)	(6,783)	(12,724)
Cash (used) or provided by financing activities	**(4,501)**	**(8,245)**	**(23,612)**	**116,751**	**53,370**	**32,280**	**34,364**	**37,480**	**(19,127)**	**367**
Net Increase or (Decrease) in Cash	**534**	**1,547**	**(8,967)**	**33,256**	**(18,535)**	**(14,127)**	**2,820**	**10,198**	**4,088**	**3,570**
Cash and Cash Equivalents at Beginning of Year	**20,615**	**21,149**	**22,696**	**13,729**	**46,985**	**28,450**	**14,323**	**17,143**	**27,341**	**31,429**
Cash and Cash Equivalents at End of Year	**21,149**	**22,696**	**13,729**	**46,985**	**28,450**	**14,323**	**17,143**	**27,341**	**31,429**	**34,999**

[1] Certain comparative figures have been reclassified to conform to current year's presentation. Refer to the footnote in table 1.2 for additional information.

Table 1.5

Government of Canada — Detailed Consolidated Statement of Non-Budgetary Transactions and of Non-Financial Assets

(in millions of dollars)

	Year ended March 31 (1)									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Loans, Investments and Advances —										
Enterprise Crown corporations and other government business enterprises										
Loans and advances —										
Canada Mortgage and Housing Corporation	200	148	258	(57,470)	(10,399)	2,693	2,974	3,472	41,951	10,465
Business Development Bank of Canada			(1,000)	(6,284)	(4,961)	(978)	662	(653)	(1,106)	(1,356)
Farm Credit Canada			(3,840)	(7,610)	(4,481)	(1,627)	(1,768)	(1,848)	(855)	(662)
Other	(67)	33	(35)	(5)	7	10	29	2	(59)	(185)
	133	*181*	*(4,617)*	*(71,369)*	*(19,834)*	*98*	*1,897*	*973*	*39,931*	*8,262*
Investments —										
Share of annual profit	(5,041)	(5,336)	(4,256)	(4,773)	(2,306)	(6,992)	(5,350)	(4,995)	(5,945)	(8,365)
Other comprehensive (income) or loss		(479)	(34)	318	(211)	(2,142)	2,292	(64)	(2,660)	2,360
Dividends	2,027	2,604	2,436	2,095	1,391	2,818	2,028	1,445	5,215	2,341
Capital	(15)	(3)		(600)	(4,617)		656		(50)	1,030
Transition adjustment and other							3,337			143
	(3,029)	*(3,214)*	*(1,854)*	*(2,960)*	*(5,743)*	*(6,316)*	*2,963*	*(3,614)*	*(3,440)*	*(2,491)*
Total	(2,896)	(3,033)	(6,471)	(74,329)	(25,577)	(6,218)	4,860	(2,641)	36,491	5,771
Less:										
Loans expected to be repaid from future appropriations	63	66	32	(473)	(103)	(64)	(119)	(1,519)	(480)	353
Unamortized discounts and premiums			(19)	26		(4)	(32)		1	(22)
Total	(2,959)	(3,099)	(6,484)	(73,882)	(25,474)	(6,150)	5,011	(1,122)	36,970	5,440
Other loans, investments and advances —										
Portfolio investments	(101)			6	2		12	5		10
National governments, including developing countries	158	80	143	(182)	235	69	40	18	(7)	(606)
International organizations	(224)	(491)	(321)	(905)	(454)	(826)	(704)	(885)	(900)	(1,039)
Provincial and territorial governments	14	285	899	217	590	257	(849)	803	849	765
Other loans, investments and advances	(1,524)	(367)	(410)	(1,005)	(4,926)	456	680	(1,254)	(1,049)	(1,751)
Total	(1,677)	(493)	311	(1,869)	(4,553)	(44)	(821)	(1,313)	(1,107)	(2,621)
Less: allowance for valuation	(915)	(387)	(398)	(1,527)	(2,440)	(326)	(1,439)	(436)	(1,421)	(1,135)
Total	(762)	(106)	709	(342)	(2,113)	282	618	(877)	314	(1,486)
Total loans, investments and advances	**(3,721)**	**(3,205)**	**(5,775)**	**(74,224)**	**(27,587)**	**(5,868)**	**5,629**	**(1,999)**	**37,284**	**3,954**
Pensions and Other Future Benefits —										
Public sector pensions	1,483	3,664	2,645	2,538	2,934	3,292	2,776	2,757	557	(823)
Other employee and veteran future benefits	1,820	1,754	2,778	2,410	3,916	3,979	3,707	5,386	4,658	4,181
Total pensions and other future benefits	**3,303**	**5,418**	**5,423**	**4,948**	**6,850**	**7,271**	**6,483**	**8,143**	**5,215**	**3,358**
Other Liabilities —										
Due to Canada Pension Plan	(2,620)	(97)	52	(16)	85	(152)	115	(70)	72	72
Other liabilities	(567)	(185)	632	44	579	(120)	503	(817)	(204)	16
Total other liabilities	**(3,187)**	**(282)**	**684**	**28**	**664**	**(272)**	**618**	**(887)**	**(132)**	**88**
Non-Financial Assets —										
Tangible capital assets	(145)	(681)	(2,139)	(2,152)	(1,728)	(2,614)	(1,379)	(1,194)	(1,701)	(1,405)
Inventories	(350)	(113)	(260)	(100)	156	(638)	(166)	(458)	137	66
Prepaid expenses and other	(82)	(396)	392	(608)	(300)	46	167	688	53	(2,857)
Total non-financial assets	**(577)**	**(1,190)**	**(2,007)**	**(2,860)**	**(1,872)**	**(3,206)**	**(1,378)**	**(964)**	**(1,511)**	**(4,196)**
Other Transactions —										
Taxes receivable	(5,636)	(7,379)	590	(6,009)	2,848	(9,563)	(7,380)	(6,109)	(374)	(6,010)
Other accounts receivable	(327)	(817)	151	(3)	(441)	(266)	(555)	(185)	42	1,458
Provincial, territorial and Aboriginal tax agreements account	2,316	410	(1,311)	(168)	1,438	241	2,688	(7,130)	(1,584)	951
Amounts payable to taxpayers	2,752	2,986	7,622	1,835	(2,594)	397	2,304	3,925	(2,277)	3,598
Other liabilities	(1,376)	1,683	(2,359)	1,869	7,682	(2,103)	951	(3,054)	(3,153)	7,352
Total other transactions	**(2,271)**	**(3,117)**	**4,693**	**(2,476)**	**8,933**	**(11,294)**	**(1,992)**	**(12,553)**	**(7,346)**	**7,349**
Total Non-Budgetary Transactions and Non-Financial Assets	**(6,453)**	**(2,376)**	**3,018**	**(74,584)**	**(13,012)**	**(13,369)**	**9,360**	**(8,260)**	**33,510**	**10,553**

(1) Certain comparative figures have been reclassified to conform to current year's presentation. Refer to the footnote in table 1.2 for additional information.

Table 1.6

Government of Canada — Detailed Consolidated Statement of Foreign Exchange, Unmatured Debt and Cash Transactions

(in millions of dollars)

	Year ended March 31									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Foreign Exchange Accounts —										
International reserves held in the Exchange Fund Account	(1,822)	(3,737)	1,769	(8,290)	(2,507)	(340)	(8,100)	(1,240)	(13,984)	(14,596)
International Monetary Fund — Subscriptions	567	(433)	354	(1,259)	2,188	31	(50)	148	(1,189)	(246)
International Monetary Fund — Loans					(337)	(802)	(186)	(132)	(208)	312
	(1,255)	*(4,170)*	*2,123*	*(9,549)*	*(656)*	*(1,111)*	*(8,336)*	*(1,224)*	*(15,381)*	*(14,530)*
Less: International Monetary Fund —										
Special drawing rights allocations	113	(48)	43	(154)	(7,766)	30	(48)	139	(1,118)	(231)
Notes payable	(1,412)	(771)	201	14	2,351	416	202	398	(760)	(1,543)
	(1,299)	*(819)*	*244*	*(140)*	*(5,415)*	*446*	*154*	*537*	*(1,878)*	*(1,774)*
Total foreign exchange accounts	**44**	**(3,351)**	**1,879**	**(9,409)**	**4,759**	**(1,557)**	**(8,490)**	**(1,761)**	**(13,503)**	**(12,756)**
Unmatured Debt —										
Payable in Canadian currency —										
Marketable bonds	(4,664)	(3,652)	(3,932)	41,636	72,776	48,118	32,060	20,899	4,280	14,562
Treasury bills	4,398	2,477	(17,138)	75,339	(16,426)	(12,869)	241	17,468	(27,699)	(17,298)
Retail debt	(1,738)	(2,167)	(2,107)	(537)	(677)	(1,714)	(1,219)	(1,441)	(1,154)	(667)
Bonds for Canada Pension Plan	(291)	(1,359)	(700)	(519)	(71)	(425)	(16)	(11)		
	(2,295)	*(4,701)*	*(23,877)*	*115,919*	*55,602*	*33,110*	*31,066*	*36,915*	*(24,573)*	*(3,403)*
Payable in foreign currencies	(2,201)	(3,713)	(875)	883	(2,138)	(615)	3,087	87	5,228	4,237
Cross-currency swap revaluation	(1,336)	1,167	(329)	5,110	(7,923)	(858)	643	1,029	5,745	4,343
Unamortized discounts and premiums on market debt	(438)	121	446	1,462	(341)	607	190	7,526	(47)	1,112
Obligation related to capital leases	(5)	169	1,140	(51)	(94)	(405)	(52)	13	(44)	107
Other unmatured debt						190	263	464	262	(174)
Total unmatured debt	**(6,275)**	**(6,957)**	**(23,495)**	**123,323**	**45,106**	**32,029**	**35,197**	**46,034**	**(13,429)**	**6,222**
Cash and Cash Equivalents at End of Year —										
In Canadian currency	21,152	22,701	13,733	46,989	28,124	13,902	16,493	27,130	31,415	34,716
In foreign currencies	(3)	(5)	(4)	(4)	326	421	650	211	14	283
Total cash and cash equivalents	**21,149**	**22,696**	**13,729**	**46,985**	**28,450**	**14,323**	**17,143**	**27,341**	**31,429**	**34,999**

Glossary of Terms

The following terms are used in this section and throughout the consolidated financial statements in Section 2 of this Volume. The definitions are taken from the following primary sources:

— TERMIUM at www.btb.termiumplus.gc.ca
— The *CPA Canada Public Sector Accounting Handbook*
— Glossary of Frequently-Used Terms, Finance Canada

Accounts of Canada —

The centralized record of the financial transactions of the Government of Canada, maintained by the Receiver General. The accounts of Canada summarize revenues, expenses, assets and liabilities transactions.

Accrued Benefit Obligation —

The value of future benefits attributed to services rendered by employees and former employees to the accounting date.

Accumulated Deficit —

The accumulated net total of all past federal deficits and surpluses since Confederation plus accumulated other comprehensive income. The accumulated deficit is also equal to total liabilities less total assets – both financial and non-financial.

Actuarial Valuation for Accounting Purposes —

An assessment of the financial status of a benefit plan. It consists of the valuation of assets held to discharge the benefit liability and calculation of the actuarial present value of benefits to be paid under the plan. The valuation measures the obligations and attributes the costs of the benefits to the period; it also determines any gains or losses since the last valuation.

Allowance —

Estimated potential losses on the realization of government financial claims or estimated financial obligations that would not otherwise be recorded in the financial statements.

Appropriation —

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

Capital Lease —

A lease that, from the point of view of the lessee, transfers substantially all the benefits and risks incident to ownership of property to the lessee.

Consolidated Revenue Fund —

The aggregate of all public moneys that are on deposit at the credit of the Receiver General for Canada.

Consumer Price Index (CPI) —

A measure of price changes produced by Statistics Canada on a monthly basis. The CPI measures the retail prices of a "shopping basket" of about 300 goods and services including food, housing, transportation, clothing and recreation. The index is "weighted", meaning that it gives greater importance to price changes for some products than others – more to housing, for example, than to entertainment – in an effort to reflect typical spending patterns. Increases in the CPI are also referred to as increases in the cost of living.

Contingent Liability —

A potential debt which may become an actual financial obligation if certain events occur or fail to occur.

Contractual Obligation —

A written obligation to outside organizations or individuals as a result of a contract.

Deficit —

The amount by which government expenses exceed revenue in any given year.

Defined Benefit Pension Plan —

A plan that specifies either the benefits to be received by employees after retirement or the method for determining those benefits.

Enterprise Crown Corporation —

A corporation which is not dependent on parliamentary appropriations and whose principal activity and source of revenues are the sale of goods and/or services to outside parties. An enterprise Crown corporation is ultimately accountable to Parliament, through a minister of the Crown, for the conduct of its affairs.

Financial Assets —

An asset on hand at the end of the accounting period, which could provide resources to discharge existing liabilities or finance future operations. Financial assets include cash and assets that are convertible into cash and are not intended for consumption in the normal course of activities.

Full Accrual Accounting —

The method of recording transactions by which revenues and expenses are reflected in the determination of results for the period in which they are considered to have been earned and incurred, respectively, whether or not such transactions have been settled finally by the receipt or payment of cash or its equivalent.

G-7 (Group of Seven) —

The G-7 consists of the world's seven largest industrial market economies: the United States, Japan, Germany, France, Great Britain, Italy and Canada. The leaders of these countries meet annually to discuss political and economic issues of mutual concern. In addition, G-7 finance ministers meet several times a year to discuss economic policy. Their work is supported by regular, functional meetings of officials, including the G-7 Finance Deputies.

Gross Domestic Product (GDP) —

The total value of all goods and services produced within Canada during a given year. It is a measure of the income generated by production within Canada. Also referred to as annual economic output or, more simply, output. To avoid counting the same output more than once, GDP includes only final goods and services – not those that are used to make another product. GDP would not include the wheat used to make bread, but would include the bread itself.

Net Book Value of Tangible Capital Assets —

The cost of tangible capital assets less both accumulated amortization and the amount of any write-downs.

Net Debt —

The total liabilities of the government less its financial assets.

Non-Financial Assets —

An asset on hand at the end of the accounting period, which could not normally be converted to cash to pay off the debt, without disrupting government operations.

Operating Lease —

A lease in which the lessor retains substantially all the benefits and risks of ownership.

Other comprehensive income —

Other comprehensive income holds any unrealized gains and losses resulting from the change in market value on assets that are classified as available-for-sale, derivative instruments used in hedging activities or actuarial gains and losses on pensions and other employee future benefits.

Public Money —

All money belonging to Canada received or collected by the Receiver General or any other public officer in his official capacity or any person authorized to receive or collect such money.

Real Return Bonds —

These Government of Canada bonds pay semi-annual interest based upon a real interest rate. Unlike standard fixed-coupon marketable bonds, interest payments on real return bonds are adjusted for changes in the consumer price index.

Retail Debt —

Canada Savings Bonds and Canada Premium Bonds.

Surplus —

The amount by which government revenue exceeds expenses in any given year.

Swap —

An agreement that exchanges one type of return or financial instrument for another (e.g. a fixed for a floating rate of interest).

Tangible Capital Asset —

A non-financial asset having physical substance that:

(a) is held for use in the production or supply of goods and services; *(b)* has a useful economic life extending beyond an accounting period; and *(c)* has been acquired to be used on a continuing basis.

Transfer Payments —

A transfer of money from a government to an individual, an organization or another government for which the government making the transfer does not:

(a) receive any goods or services directly in return as would occur in a purchase/sales transaction; *(b)* expect to be repaid in the future, as would be expected in a loan; or *(c)* expect a financial return, as would be expected in an investment.

Section 2

2014-2015

Public Accounts of Canada

Consolidated Financial Statements of the Government of Canada and Report and Observations of the Auditor General of Canada

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Preface to the Consolidated Financial Statements of the Government of Canada

The fundamental purpose of these consolidated financial statements is to provide information to Parliament, and thus to the public, to facilitate an understanding and evaluation of the full nature and extent of the financial affairs and resources for which the Government is responsible. These consolidated financial statements reflect the financial position of the Government at the reporting date, as well as its results of operations, accumulated deficit, change in net debt and cash flow for the year then ended.

The two fundamental concepts underlying the Government's accounting system are found in the Constitution Acts: first, that all duties and revenues received, other than those reserved to the provinces, "shall form One Consolidated Revenue Fund" (CRF); second, that the balance of the CRF, after certain prior charges, "shall be appropriated by the Parliament of Canada".

The right of Canada to raise taxes and revenues is contained in the Constitution Acts, and is given specific form in various Acts passed by Parliament. Revenues can be raised and moneys can be spent or borrowed by the Government only with the authority of Parliament. All receipts of money by departments and agencies must be deposited into the CRF. All disbursements from the CRF for spending on operations, for loans, investments and advances, and for the redemption of matured debt, must be authorized by Parliament, through annual appropriation acts and other statutes.

Wholly-owned Crown corporations that are agents of Her Majesty may only borrow as authorized by Acts of Parliament. Such Acts usually place a ceiling on the amount of borrowings that can be outstanding at any one time. Non-agent Crown corporations and other government business enterprises can borrow without specific parliamentary authority, although such borrowings are sometimes guaranteed by the Government with the authority of Parliament.

The consolidated financial statements of the Government of Canada consist of four statements and accompanying notes.

The first is the **Consolidated Statement of Operations and Accumulated Deficit**, which presents the Government's revenues, expenses, surplus, and other comprehensive loss or income for the year, and the net accumulation of the annual surpluses and deficits since Confederation.

The second is the **Consolidated Statement of Financial Position**, which discloses the Government's cash balance and investments, amounts owing to and by the Government at the end of the year, and the Government's non-financial assets such as its tangible capital assets and inventories. It also presents both the accumulated deficit of the Government and its net debt which is the difference between the Government's total liabilities and its financial assets.

The third is the **Consolidated Statement of Change in Net Debt**, which explains the difference between the Government's annual surplus and the change in the net debt for the year. It reports the extent to which revenues recognized in the year were sufficient, or not sufficient, to offset expenditures, as opposed to the expenses recognized in the annual surplus.

The fourth is the **Consolidated Statement of Cash Flow**, which provides information on the Government's cash provided by or used for operating, capital investment, investing and financing activities.

Other sections in this volume together with Volume II and Volume III of the *Public Accounts of Canada*, provide more detailed supplementary information in respect of matters reported in the consolidated financial statements. The Independent Auditor's Report on the consolidated financial statements does not extend to this supplementary information.

Statement of Responsibility

These consolidated financial statements are prepared by the Government of Canada in accordance with the accounting policies set out in Note 1 to the consolidated financial statements, which are based on Canadian public sector accounting standards, and on a basis consistent with that of the preceding year.

Responsibility for the integrity and objectivity of the consolidated financial statements rests with the Government. The consolidated financial statements are prepared under the joint direction of the President of the Treasury Board, the Minister of Finance, and the Receiver General for Canada in compliance with governing legislation. These consolidated financial statements are prepared on a full accrual basis of accounting. The information included in these consolidated financial statements is based on the Government's best estimates and judgement, with due consideration given to materiality.

To fulfill its accounting and reporting responsibilities, the Government maintains systems of financial management and internal control which give due consideration to costs, benefits and risks. These systems are designed to provide reasonable assurance that transactions are properly authorized by Parliament, are executed in accordance with prescribed regulations, and are properly recorded so as to maintain accountability of public money and safeguard the assets and properties of Canada under Government administration. The Receiver General for Canada maintains the accounts of Canada, a centralized summary record of the Government's financial transactions. Additional information is obtained as required, from departments, agencies, Crown corporations, other government business enterprises, and other entities to meet accounting and reporting requirements.

The Government presents the consolidated financial statements to the Auditor General of Canada, who audits them and provides an independent audit opinion to the House of Commons. The duties of the Auditor General of Canada in that respect are contained in Section 6 of the *Auditor General Act*.

Annually, the consolidated financial statements are tabled in the House of Commons as part of the *Public Accounts of Canada*, and are referred to the Standing Committee on Public Accounts, which reports to Parliament on the results of its examination together with any recommendations it may have with respect to the consolidated financial statements and accompanying independent audit opinion.

On behalf of the Government of Canada.

YAPRAKB.

Yaprak Baltacıoğlu
Secretary of the Treasury Board of Canada

Paul Rochon
Deputy Minister of Finance

George Da Pont
Deputy Receiver General for Canada

Bill Matt

Bill Matthews
Comptroller General of Canada

September 3, 2015

Auditor General of Canada
Vérificateur général du Canada

Independent Auditor's Report

To the House of Commons

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Government of Canada, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of operations and accumulated deficit, consolidated statement of change in net debt and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Government's Responsibility for the Consolidated Financial Statements

The Government is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the stated accounting policies of the Government of Canada set out in Note 1 to the consolidated financial statements, which are based on Canadian public sector accounting standards, and for such internal control as the Government determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Government's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Government's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Government, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Government of Canada as at 31 March 2015, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with the stated accounting policies of the Government of Canada set out in Note 1 to the consolidated financial statements, which conform with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by Section 6 of the *Auditor General Act*, I report that, in my opinion, the stated accounting policies of the Government of Canada have been applied on a basis consistent with that of the preceding year.

Michael Ferguson, CPA, CA
FCA (New Brunswick)
Auditor General of Canada

3 September 2015
Ottawa, Canada

Government of Canada

Consolidated Statement of Operations and Accumulated Deficit for the Year Ended March 31, 2015

(in millions of dollars)

	2015		2014
	Budget (Note 3)	Actual	Actual
Revenues (Note 19)			
Tax Revenues —			
Income tax revenues —			
Personal	137,755	135,743	130,811
Corporate	36,984	39,447	36,587
Non-resident	5,666	6,216	6,404
Total income tax revenues	***180,405***	***181,406***	***173,802***
Other taxes and duties —			
Goods and services tax	31,325	31,349	30,998
Energy taxes	5,501	5,528	5,486
Customs import duties	4,416	4,581	4,239
Other excise taxes and duties	5,807	5,724	5,413
Total other taxes and duties	***47,049***	***47,182***	***46,136***
Total Tax Revenues	***227,454***	***228,588***	***219,938***
Employment Insurance Premiums	***22,655***	***22,564***	***21,766***
Other Revenues —			
Crown corporations	8,431	13,480	11,455
Other programs	16,337	16,359	16,836
Net foreign exchange	1,461	1,355	1,682
Total Other Revenues	***26,229***	***31,194***	***29,973***
Total Revenues	**276,338**	**282,346**	**271,677**
Expenses (Note 4 and Note 19)			
Transfer Payments —			
Old age security benefits, guaranteed income supplement and spouse's allowance	43,797	44,103	41,786
Major transfer payments to other levels of government	62,559	63,109	60,475
Employment insurance benefits	17,670	18,052	17,300
Children's benefits	13,211	14,303	13,136
Other transfer payments	35,812	35,126	36,698
Total Transfer Payments	***173,049***	***174,693***	***169,395***
Other Program Expenses —			
Crown corporations	6,265	7,590	7,484
Ministries	70,927	71,558	71,728
Total Other Program Expenses	***77,192***	***79,148***	***79,212***
Total Program Expenses	***250,241***	***253,841***	***248,607***
Public Debt Charges	***28,175***	***26,594***	***28,220***
Total Expenses	**278,416**	**280,435**	**276,827**
Annual (Surplus) or Deficit	**2,078**	**(1,911)**	**5,150**
Accumulated Deficit at Beginning of Year	**611,881**	**611,881**	**609,391**
Other Comprehensive Loss or (Income) (Note 5 and Note 12)		**2,360**	**(2,660)**
Accumulated Deficit at End of Year (Note 5)	**613,959**	**612,330**	**611,881**

The accompanying notes are an integral part of these consolidated statements.
Details can be found in other sections (unaudited) of this volume.

Government of Canada

Consolidated Statement of Financial Position as at March 31, 2015

(in millions of dollars)

	2015	2014
Liabilities		
Accounts Payable and Accrued Liabilities —		
Other accounts payable and accrued liabilities	40,420	38,096
Amounts payable to taxpayers	56,198	52,600
Environmental liabilities (Note 17)	12,296	11,143
Deferred revenue	9,160	3,920
Interest and matured debt	5,240	5,585
Allowance for guarantees (Note 18)	317	386
Total Accounts Payable and Accrued Liabilities	***123,631***	***111,730***
Interest-Bearing Debt —		
Unmatured debt (Note 6)	665,180	658,958
Pensions and other future benefits		
Public sector pensions (Note 7)	152,664	153,162
Other employee and veteran future benefits (Note 7)	76,140	71,959
Total pensions and other future benefits	*228,804*	*225,121*
Other liabilities (Note 8)	6,002	5,914
Total Interest-Bearing Debt	***899,986***	***889,993***
Total Liabilities	**1,023,617**	**1,001,723**
Financial Assets		
Cash and Accounts Receivable —		
Cash and cash equivalents (Note 9)	34,999	31,429
Taxes receivable (Note 10)	98,499	92,489
Other accounts receivable (Note 10)	3,198	4,656
Total Cash and Accounts Receivable	***136,696***	***128,574***
Foreign Exchange Accounts (Note 11)	***85,018***	***72,262***
Loans, Investments and Advances —		
Enterprise Crown corporations and other government business enterprises (Note 5, Note 12 and Note 18)	89,375	94,815
Other loans, investments and advances (Note 13)	24,306	22,820
Total Loans, Investments and Advances	***113,681***	***117,635***
Public sector pension assets (Note 7)	***1,263***	***938***
Total Financial Assets	**336,658**	**319,409**
Net Debt	**686,959**	**682,314**
Non-Financial Assets		
Tangible capital assets (Note 14)	63,347	61,942
Inventories	7,250	7,316
Prepaid expenses and other	4,032	1,175
Total Non-Financial Assets	**74,629**	**70,433**
Accumulated Deficit (Note 5)	**612,330**	**611,881**

Contractual Obligations and Contingent Liabilities (Note 16 and Note 18)

The accompanying notes are an integral part of these consolidated statements.
Details can be found in other sections (unaudited) of this volume.
Certain comparative figures have been reclassified to conform to the current year's presentation.

Government of Canada

Consolidated Statement of Change in Net Debt for the Year Ended March 31, 2015

(in millions of dollars)

	2015		2014
	Budget (Note 3)	Actual	Actual
Net Debt at Beginning of Year	**682,314**	**682,314**	**678,313**
Change in Net Debt During the Year —			
Annual (Surplus) or Deficit	**2,078**	**(1,911)**	**5,150**
Changes due to Tangible Capital Assets —			
Acquisition of tangible capital assets	9,136	7,204	7,129
Amortization of tangible capital assets	(5,471)	(5,090)	(4,865)
Proceeds from disposal of tangible capital assets	(400)	(954)	(875)
Net gain on disposal of tangible capital assets, including adjustments		245	312
Total Change due to Tangible Capital Assets	***3,265***	***1,405***	***1,701***
Change due to Inventories		**(66)**	**(137)**
Change due to Prepaid Expenses and Other		**2,857**	**(53)**
Net Increase in Net Debt due to Operations	**5,343**	**2,285**	**6,661**
Other Comprehensive Loss or (Income) (Note 5 and Note 12)		**2,360**	**(2,660)**
Net Increase in Net Debt	**5,343**	**4,645**	**4,001**
Net Debt at End of Year	**687,657**	**686,959**	**682,314**

The accompanying notes are an integral part of these consolidated statements.
Details can be found in other sections (unaudited) of this volume.

Government of Canada

Consolidated Statement of Cash Flow for the Year Ended March 31, 2015

(in millions of dollars)

	2015	2014
Operating Activities —		
Annual Surplus or (Deficit)	**1,911**	**(5,150)**
Items not affecting cash —		
Share of annual profit in enterprise Crown corporations and other government business enterprises	(8,365)	(5,945)
Amortization of tangible capital assets	5,090	4,865
Net gain on disposal of tangible capital assets, including adjustments	(245)	(312)
Change in taxes receivable	(6,010)	(374)
Change in pensions and other future benefits	3,358	5,215
Change in foreign exchange accounts	(12,756)	(13,503)
Change in accounts payable and accrued liabilities	11,901	(7,014)
Change in cross-currency swap revaluation	4,343	5,745
Net change in other accounts	670	1,953
Cash Used by Operating Activities	***(103)***	***(14,520)***
Capital Investment Activities —		
Acquisition of tangible capital assets	(6,804)	(7,129)
Proceeds from disposal of tangible capital assets	954	875
Cash Used by Capital Investment Activities	***(5,850)***	***(6,254)***
Investing Activities —		
Enterprise Crown corporations and other government business enterprises		
Equity transactions	3,514	5,165
Issuance of loans and advances	(79,905)	(70,328)
Repayment of loans and advances	88,168	110,259
Issuance of other loans, investments and advances	(8,124)	(5,525)
Repayment of other loans, investments and advances	5,503	4,418
Cash Provided by Investing Activities	***9,156***	***43,989***
Financing Activities —		
Issuance of Canadian currency borrowings	468,021	512,009
Repayment of Canadian currency borrowings	(471,891)	(536,364)
Issuance of foreign currency borrowings	16,961	12,011
Repayment of foreign currency borrowings	(12,724)	(6,783)
Cash Provided or (Used) by Financing Activities	***367***	***(19,127)***
Net Increase in Cash	**3,570**	**4,088**
Cash and Cash Equivalents at Beginning of Year	***31,429***	***27,341***
Cash and Cash Equivalents at End of Year (Note 9)	***34,999***	***31,429***
Supplementary Information		
Cash used for interest	15,152	16,123

The accompanying notes are an integral part of these consolidated statements.
Details can be found in other sections (unaudited) of this volume.
Certain comparative figures have been reclassified to conform to the current year's presentation.

Notes to the Consolidated Financial Statements of the Government of Canada

1. Summary of Significant Accounting Policies

Reporting entity

The reporting entity of the Government of Canada includes all of the government organizations which comprise the legal entity of the Government as well as other government organizations, including Crown corporations, which are separate legal entities but are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations defined as departments and as Crown corporations in the *Financial Administration Act* are included in the reporting entity. Other organizations not listed in the *Financial Administration Act* may also meet the definition of control and they are included in the Government's reporting entity if their revenues, expenses, assets or liabilities are significant.

The financial activities of all of these entities, except for enterprise Crown corporations and other government business enterprises, are consolidated in these financial statements on a line-by-line and uniform basis of accounting after eliminating significant inter-governmental balances and transactions. Enterprise Crown corporations and other government business enterprises, which are not dependent on the Government for financing their activities, are recorded under the modified equity method.

The Canada Pension Plan (CPP), which includes the assets of CPP under the administration of the Canada Pension Plan Investment Board, is excluded from the reporting entity because changes to CPP require the agreement of two thirds of participating provinces and it is therefore not controlled by the Government.

Basis of accounting

These consolidated financial statements are prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Revenues

The Government reports revenues on an accrual basis. Tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation or the ability to assess and collect the tax has been provided through legislative convention.

Tax revenues are measured from amounts assessed/reassessed and from estimates of amounts not yet assessed/reassessed based on cash received that relates to the fiscal year ended March 31. Annual revenues also include adjustments between the estimated revenues of previous years and actual amounts, as well as revenues from reassessments relating to prior years. Revenues do not include estimates of unreported taxes, or the impact of future reassessments that cannot yet be reliably determined.

Income tax revenue is recognized when the taxpayer has earned the income subject to the tax.

Domestic goods and services tax revenue is recognized at the time of the sale of goods or the provision of services. These revenues are reported net of input tax credits, GST rebates, and the GST quarterly tax credits. The GST quarterly tax credit for low-income individuals and families is recorded in the period to which it relates. It is intended to offset the cost of the tax for low-income individuals and families.

Customs duties and goods and services tax revenue on imports is recognized when goods are authorized to enter Canada.

Excise tax revenue is recognized when a taxpayer sells goods taxable under the *Excise Tax Act*.

Excise duties revenue is recognized when the taxpayer manufactures goods taxable under the *Excise Act* and the *Excise Act, 2001*.

Tax collected on behalf of the provincial/territorial governments is not included in Tax Revenue. It is recorded as payable to the provincial/territorial governments included within Other Accounts Payable and Accrued Liabilities and distributed by the Department of Finance in accordance with associated agreements.

Tax expenditures that reduce taxes paid or payable are considered tax concessions and are netted against the applicable tax revenue. As foregone revenue, tax concessions do not give rise to assets or expenses of the taxing government. Tax expenditures that provide a financial benefit through the tax system, and are not related to the relief of taxes paid or payable, are shown as other transfer payments and are not netted against tax revenue.

Tax revenues that were not collected at year end and refunds that were not yet disbursed are reported respectively as taxes receivable and amounts payable to taxpayers on the Consolidated Statement of Financial Position. These amounts also include other receivables and payables for amounts collected through the tax system such as provincial and territorial taxes, Employment Insurance premiums and Canada Pension Plan contributions.

Employment Insurance premiums are recognized as revenue in the period the insurable earnings are earned.

Other revenues are recognized in the period to which they relate.

Deferred revenue consists of spectrum licence fees and other amounts received in advance for the delivery of goods and rendering of services that will be recognized as revenue in a subsequent fiscal year as it is earned. Spectrum licence fees are recognized as revenue on a straight-line basis over the term of the licence.

Expenses

The Government has three major types of expenses: transfer payments, other program expenses and public debt charges. All of the expenses are reported on an accrual basis.

Transfer payments are recorded as expenses when the recipients have met all the eligibility criteria and the transfers are authorized by the consolidated financial statements date. In the case of transfers which do not form part of an existing program, the transfers are considered to be authorized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the consolidated financial statements.

Other program expenses are generally recorded when goods are received or services are rendered and include expenses related to personnel, professional and special services, repair and maintenance, utilities, materials and supplies, as well as amortization of tangible capital assets. Provisions to reflect changes in the value of assets or liabilities, such as provisions for bad debts, loans, investments and advances and inventory obsolescence, as well as utilization of inventories and prepaid expenses and other are also included in other program expenses. Public sector pensions and other employee and veteran future benefits, which comprise a portion of personnel expenses, are recorded as employees render services using the projected benefit method prorated on service, except for: veteran future benefits and workers' compensation where benefits are accrued on an event driven basis; accumulated sick leave entitlements where benefits are recognized using an accrued benefit method; and plan amendments related to past services, curtailments and settlements where costs are recorded when approved or paid.

Public debt charges are recorded when incurred and include interest, servicing costs, costs of issuing new borrowings, amortization of premiums and discounts on market debt including amounts arising on the extinguishment of debt, as well as interest on public sector pensions and other employee and veteran future benefits.

Cash and cash equivalents

Cash consists of public moneys on deposit and cash in transit less outstanding cheques and warrants. Cash equivalents consist mainly of term deposits usually not exceeding 31 days.

Foreign exchange accounts

Short-term deposits, marketable securities and special drawing rights held in the foreign exchange accounts are recorded at cost. Marketable securities are adjusted for amortization of purchase discounts and premiums. Purchases and sales of securities are recorded at the settlement date. Transaction costs are expensed as incurred for all classes of financial instruments.

Investment income earned with respect to foreign accounts as well as write-downs to reflect other than temporary impairment in the fair value of securities are included in net foreign exchange revenues on the Consolidated Statement of Operations and Accumulated Deficit. Canada's subscriptions to the capital of the International Monetary Fund and loans to the International Monetary Fund are recorded at cost.

Loans, investments and advances

Investments in enterprise Crown corporations and other government business enterprises, which include the net assets and liabilities of enterprise Crown corporations and other government business enterprises, are recorded under the modified equity method whereby the cost of the Government's equity is reduced by dividends received and adjusted to include the annual profits and losses of these corporations, after elimination of unrealized inter-organizational gains and losses. All of these corporations follow International Financial Reporting Standards (IFRS) used by publicly accountable enterprises. Under the modified equity method, the corporations' accounts are not adjusted to the Government's basis of accounting and other comprehensive income or loss of enterprise Crown corporations and other government business enterprises is recorded directly to the Government's accumulated deficit and net debt.

Some enterprise Crown corporations provide loans to borrowers outside the reporting entity of the Government. Some of these loans will be repaid through future appropriations of the Government under various subsidy programs which provide funds directly related to the repayment of the loan. For these loans receivable, a valuation allowance for the amount expected to be repaid from future appropriations is recorded to reduce their carrying value to an amount that approximates the amount to be recovered from sources outside the reporting entity of the Government.

Other loans, investments and advances are initially recorded at cost and are adjusted to reflect the concessionary terms of loans made on a long-term, low interest or interest-free basis.

When necessary, an allowance for valuation is recorded to reduce the carrying value of other loans, investments and advances to amounts that approximate their net realizable value. The allowance for valuation for other loans, investments and advances, reflects the possibility of losses associated with potential default on these exposures. The determination of the valuation allowance considers the credit risk of borrowers, collateral provided as well as previous repayment history. When they are determined to be uncollectible, other loans, investments and advances are written off. Subsequent recoveries are recorded as revenue when received.

Non-financial assets

The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and, except for land, are amortized to expense over the estimated useful lives of the assets. For certain tangible capital assets where the costs are not readily available, such as older buildings, estimated current costs have been extrapolated retrospectively in a systematic and rational manner to approximate original costs. Assets acquired under capital leases are recorded at the present value of the minimum lease payments using the appropriate discount rate, which is usually the lower of the implicit interest rate in the lease or the Consolidated Revenue Fund term lending rate at the inception of the lease. These assets are amortized over the lease term or over the estimated useful life of the asset if the lease term contains terms that allow ownership to pass to the Government or a bargain purchase option. The corresponding lease obligations are recorded under unmatured debt on the Consolidated Statement of Financial Position. When conditions indicate that a tangible capital asset no longer contributes to the government's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

Tangible capital assets do not include immovable assets located on reserves as defined in the *Indian Act*, the cost of works of art and museum collections and Crown land to which no acquisition cost is attributable. Intangible assets are also not recognized in the consolidated financial statements. In addition, acquisitions of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints, photographs, monuments, films and videos are expensed in the fiscal year in which they are acquired.

Inventories are valued at cost and are comprised of spare parts and supplies held for future program delivery and are not primarily intended for resale. Inventories that no longer have service potential are valued at the lower of cost or net realizable value. Items for which the costs are not readily available are valued using management's best estimate of original cost, based on available information.

Non-financial assets are not taken into consideration when determining the net debt of the Government, but rather are deducted from the net debt to determine the accumulated deficit.

Unmatured debt

Unmatured debt consists of market debt, cross currency swap revaluations, the obligation related to capital leases and other unmatured debt. Market debt is recorded at face value and is adjusted by discounts and premiums which are amortized on a straight-line basis over the term to maturity of the respective debt instrument. The corresponding amortization is recorded in public debt charges. When a marketable bond is exchanged or repurchased, and the transaction results in an extinguishment of the debt, the difference between the carrying amount of the debt instrument and the net consideration paid is recognized as a gain or loss in the Consolidated Statement of Operations and Accumulated Deficit, and the debt instrument is derecognized. An extinguishment occurs on the repurchase of bonds, or when there is an exchange of bonds with an existing bond holder and the terms of the original debt and the replacement debt are substantially different. Exchanged bonds are considered to have substantially different terms when the discounted present value of the cash flows under the new terms, including any amounts paid on the exchange, and discounted using the average effective interest rate of the original debt, is at least 10 percent different from the discounted present value of the remaining cash flows of the original debt. If an exchange of bonds with an existing bond holder does not result in an extinguishment, the carrying amount of the debt is adjusted for any amounts paid on the exchange, and the unamortized premiums or discounts relating to the original debt and arising on the exchange transaction are amortized over the remaining term to maturity of the replacement debt on a straight-line basis. The Government's holdings of its own securities, if any, are deducted from market debt to report the liability to external parties. The Government does not specifically borrow on behalf of enterprise Crown corporations. Consequently, there is no netting of outstanding market debt and loans to these corporations.

Cross currency swap revaluations consist of unrealized gains or losses due to fluctuations in the foreign exchange value of the cross currency swaps entered into by the Government.

The obligation related to capital leases represents the present values of the remaining minimum lease payments under capital lease agreements. The corresponding assets under capital leases are recorded under tangible capital assets on the Consolidated Statement of Financial Position.

Public sector pensions and other employee and veteran future benefits

Public sector pensions and other employee and veteran future benefits are measured on an actuarial basis. The actuarial valuations estimate the current value of benefits earned and use various actuarial assumptions in the process. When actual experience of the plans varies from estimates or when actuarial assumptions change, actuarial gains or losses arise. Due to their tentative nature and because further adjustments will likely be required in the future, actuarial gains and losses are not recognized immediately but rather over the expected average remaining service life (EARSL) of the employees, which varies across plans, or the average remaining life expectancy (ARLE) of the benefit recipients under wartime veteran plans. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, an unrecognized net actuarial loss is recognized immediately upon a plan amendment, up to the one-time past service cost reduction; similarly, an unrecognized net actuarial gain is recognized immediately up to the one-time past service cost. The unrecognized net actuarial loss or gain, relating to the obligation that is curtailed or settled, is recognized immediately upon a plan curtailment or settlement.

Investments held by the Public Sector Pension Investment Board (PSPIB) are valued at market related value, a five-year smoothed value. Under this method, the expected return on investments is recorded immediately while the difference between the expected and the actual return on investments is recorded over a five-year period through actuarial gains and losses. The market related value of investments is adjusted, if necessary, to ensure that it does not fall outside a limit of plus or minus 10 percent of the market value of investments at year end; any difference is recorded immediately through actuarial gains and losses.

Contributions receivable from employees for past service buy-back elections are discounted to approximate their fair value.

Contingent liabilities

Contingent liabilities, including the allowance for guarantees, are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued as part of other accounts payable and accrued liabilities and an expense recorded to other program expenses. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements.

For guarantees, the amount of the allowance is estimated taking into consideration the nature of the guarantee, loss experience and current conditions. The allowance is reviewed on an ongoing basis and changes in the allowance are recorded as expenses in the year they become known.

Environmental liabilities

Environmental liabilities consist of estimated costs related to the remediation of contaminated sites as well as estimated costs related to obligations associated with the retirement of tangible capital assets and other environmental liabilities.

Effective April 1, 2014, the Government of Canada adopted new Public Sector Accounting Standard PS 3260, Liability for Contaminated Sites. The standard was adopted retroactively and did not affect the recognition or measurement of liabilities for contaminated sites. Consequently, the impact on the consolidated financial statements of the Government of Canada is limited to increased disclosures.

A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the Government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects the Government's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination. When the cash flows required to settle or otherwise extinguish a liability are expected to occur over extended future periods, a present value technique is used. The discount rate applied is taken from the Government's Consolidated Revenue Fund monthly lending rates for periods of one year and over which is based on the Government's cost of borrowing. The discount rates used are based on the term rate associated with the estimated number of years to complete remediation. For remediation costs with estimated future cash flows spanning more than 25 years, the 25-year Government of Canada lending rate is used as the discount rate.

A liability for an asset retirement obligation is recognized when all of the following criteria are satisfied: there is an agreement, contract, legislation, or a constructive or equitable obligation that obligates the Government to incur retirement costs in relation to a tangible capital asset, the past event or transaction giving rise to the retirement liability has occurred, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. These costs are normally capitalized and amortized over the asset's estimated useful life based on the Government's best estimates of the cost to retire the tangible asset. If the related asset is fully amortized, the related cost is expensed. The liability reflects the present value of estimated future cash flows required to retire the assets where amounts can be reasonably estimated and is expected to be settled as the related sites, facilities or assets are removed from service.

A liability for unexploded explosive ordnance (UXO) affected legacy sites is recognized when there is an appropriate basis for measurement and a reasonable estimate can be made. These liabilities are present obligations arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

The recorded environmental liabilities are adjusted each year, as required, for present value adjustments, inflation, new obligations, changes in management estimates and actual costs incurred.

If the likelihood of the Government's responsibility is not determinable, a contingent liability is disclosed in the notes to the consolidated statements. If measurement uncertainty exists it is also disclosed in the notes to the consolidated statements.

Foreign currency translation

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates in effect at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using rates at March 31. Gains and losses resulting from foreign currency translation are reported on the Consolidated Statement of Operations and Accumulated Deficit according to the activities to which they relate. Net gains and losses relating to the foreign exchange accounts, foreign debt, swap and foreign exchange forward agreement revaluations are presented with investment revenues from foreign exchange accounts under net foreign exchange revenues. Net gains and losses relating to loans, investments and advances are presented with the return on investments from these loans, investments and advances under other program revenues. Net gains and losses relating to transfer payments are reported in the transfer payment expenses under other transfer payments. Net gains and losses relating to departmental sale or purchase of goods or services in foreign currency are reported in ministry expenses under other program expenses.

Measurement Uncertainty

The preparation of consolidated financial statements requires the Government to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses in the consolidated financial statements and accompanying notes at the date of the financial statements. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. Estimates and underlying assumptions are reviewed annually as at the date of the financial statements. Revisions to accounting estimates are recognized in the period in which estimates are revised if revisions affect only that period or in the period of revision and future periods if revisions affect both current and future periods.

A material measurement uncertainty exists when it is reasonably possible that a material variance could occur in the reported or disclosed amount in the near term. Near term is defined as a period of time not to exceed one year from the date of the financial statements. The Government has determined that a material measurement uncertainty exists with respect to the reported amounts for public sector pensions and other employee and veteran future benefits. Measurement uncertainty due to estimates and assumptions also exists in the accrual of tax revenues, the related amounts receivable and payable, and the allowance for doubtful accounts; and environmental liabilities. It is reasonably possible that the Government's reassessments of these estimates and assumptions could require a material change in reported amounts or disclosures in the consolidated financial statements.

Obligations for public sector pensions and other employee and veteran future benefits are actuarially determined and the actual experience may differ significantly from the assumptions used in the calculation of the plans' accrued benefits. At March 31, 2015, net future benefit liabilities of $227,541 million ($224,183 million in 2014) in regards to obligations for public sector pensions and other employee and veteran future benefits are recorded in the financial statements. The significant actuarial assumptions used in measuring the benefit obligations as well as a sensitivity analysis of the impact on the consolidated financial statements of changes in the most significant assumptions are found in Note 7.

Tax revenues, the related amounts receivable and payable and the allowance for doubtful accounts are subject to measurement uncertainty due to the use of estimates of amounts not yet assessed/reassessed based on cash received. A key assumption used in estimating tax revenues is that tax instalments and historical information on refund rates are good indicators of tax revenue earned to March 31 that has not yet been assessed. The estimates are subject to back-testing and are refined as required. The key assumption used to estimate the general allowance for doubtful accounts is historical collection information as described in Note 10.

Environmental liabilities are subject to measurement uncertainty as discussed in Note 17 due to the evolving technologies used in the remediation of contaminated sites, the use of discounted present value of future estimated costs, and the fact that not all sites have had a complete assessment of the extent and nature of remediation. Changes to underlying assumptions, the timing of the expenditures, the technology employed, or revisions to environmental standards could result in significant changes to the environmental liabilities recorded.

Other comprehensive income or loss

Other comprehensive income or loss, resulting from the accounting of enterprise Crown corporations and other government business enterprises under the modified equity method, is excluded from the calculation of the Government's annual deficit and is recorded directly to the Government's accumulated deficit and net debt.

2. Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation. In particular, the Government has changed the presentation of the Consolidated Statement of Financial Position to segregate a significant class of pensions and other employee future benefits related to consolidated Crown corporations and other entities which were included in other accounts payable and accrued liabilities in previous years. The change in presentation has no financial impact on the Consolidated Financial Statements of the Government.

3. Spending and Borrowing Authorities

i. Spending authorities

The authority of Parliament is required before moneys can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

The Government uses the full accrual method of accounting to prepare its Budget and present its current consolidated financial statements. However, the spending authorities voted by Parliament remain on an expenditure basis, which uses only a partial accrual method of accounting. During the year, expenditures were made under the authorities indicated in the following table:

	(in millions of dollars)	
	2015	2014
Annual spending limits voted by Parliament	93,955	94,754
Expenditures permitted under other legislation	148,614	144,470
Total budgetary expenditures authorized	242,569	239,224
Less: amounts available for use in subsequent years and amounts that have lapsed	11,428	9,262
Total net expenditures	231,141	229,962
Effect of consolidation and full accrual accounting	49,294	46,865
Total expenses	280,435	276,827

The use of budgetary expenditure authorities reported in the preceding table differs from the total expenses reported in the Consolidated Statement of Operations and Accumulated Deficit. The difference is due to various factors. Spending authorities are presented on a partial accrual basis, while the Consolidated Statement of Operations and Accumulated Deficit is prepared on a full accrual basis. The transactions of certain accounts with separate non-budgetary authorities and of certain Crown corporations or other controlled entities are consolidated in the financial statements but are not included in the budgetary expenditure authorities available for use. Transfer payments to organizations within the Government reporting entity are recorded against a budgetary expenditure authority in the year they are disbursed to the organization, but they are recorded as a consolidated expense only when they are disbursed to the ultimate recipient outside of the Government reporting entity. Provisions for valuation of assets and liabilities are also not included in spending authorities.

In addition to the authorities for budgetary expenditures, non-budgetary spending of $245,788 million ($211,529 million in 2014) was authorized for loans, investments and advances. A net amount of $71,551 million ($29,703 million in 2014) was used, an amount of $33 million ($114 million in 2014) lapsed and an amount of $174,204 million ($181,712 million in 2014) is available for use in subsequent years.

Details about the source and disposition of authorities (unaudited) and the details of ministerial expenditures are provided in Volume II of the *Public Accounts of Canada*.

ii. Over-expenditure of spending authorities

There were no over-expenditures of spending authorities in 2014-2015.

iii. Borrowing authorities

The Government may borrow only on the authority of Parliament which is contained in Part IV of the *Financial Administration Act*. Section 43.1 of the *Financial Administration Act* empowers the Governor in Council to authorize the Minister of Finance to borrow money on behalf of Her Majesty in right of Canada. In 2015, the Governor in Council specified $270,000 million ($300,000 million in 2014) to be the maximum aggregate amount of principal that may be borrowed during the fiscal year. The maximum aggregate amount of principal is the sum of *i)* the maximum stock of treasury bills anticipated to be outstanding during the year, *ii)* the total value of refinanced and anticipated new issuances of marketable bonds and retail debt and *iii)* an amount to facilitate intra-year management of the debt and foreign exchange reserves. During the year, $244,913 million ($252,122 million in 2014) of the borrowing authority was used.

iv. Source of budget amounts

The budget amounts included in the Consolidated Statement of Operations and Accumulated Deficit and the Consolidated Statement of Change in Net Debt are derived from the amounts that were budgeted for 2014-2015 in the February 2014 Budget Plan (Budget 2014). To enhance comparability with actual 2014-2015 results, Budget 2014 amounts have been restated to reflect the change in the Government's accounting policy for bond buy-back operations in 2013-2014. This restatement has resulted in an $800 million decrease in budgeted public debt charges and a corresponding decrease in the budgeted 2014-2015 annual deficit.

Since actual opening numbers of the accumulated deficit and net debt were not available at the time of preparation of Budget 2014, the corresponding amounts in the budget column have been adjusted to the actual closing numbers of the previous year.

4. Expenses

Expenses in the Consolidated Statement of Operations and Accumulated Deficit include:

i. Major transfer payments to other levels of government

	(in millions of dollars)	
	2015	2014
Canada health transfer	32,114	30,543
Canada social transfer	12,582	12,215
Fiscal arrangements	16,271	15,610
Other major transfers	2,142	2,107
Total major transfer payments to other levels of government	63,109	60,475

Details can be found in Section 3 (unaudited) of this volume and in Section 1 (unaudited) of Volume II of the *Public Accounts of Canada*.

ii. Other transfer payments

Other transfer payments totalling $35,126 million ($36,698 million in 2014) include various subsidies paid through federal programs to stabilize market prices for commodities, to develop new technologies, to conduct research, to establish new jobs through support for training and to promote educational and cultural activities. Also included are expenses of other consolidated entities and other miscellaneous payments. The various types of transfer payments are being delivered by departments according to their departmental legislative mandates. Details can be found in Table 3.6, Section 3 (unaudited) of this volume.

iii. Public debt charges

	(in millions of dollars)	
	2015	2014
Public debt charges related to unmatured debt —		
Interest on unmatured debt	13,614	14,120
Amortization of discounts on Canada and Treasury Bills	1,420	1,818
Amortization of premiums and discounts on all other debts	841	974
Cross currency swap revaluation	(542)	(495)
Servicing costs and costs of issuing new borrowings	19	11
Capital lease obligations	209	214
Other unmatured debt	60	14
Total	15,621	16,656
Interest expense related to pensions and other future benefits	10,748	11,328
Other liabilities	225	236
Total public debt charges	26,594	28,220

Details can be found in Section 3 (unaudited) of this volume.

iv. Total expenses by segment

The Government has defined the segments as the Ministries and Crown corporations and other entities. Additional segmented information is provided in Note 19. The following table presents the total expenses by segment after the elimination of internal transactions:

	(in millions of dollars)	
	2015	2014
Ministries		
Agriculture and Agri-Food	2,081	2,432
Atlantic Canada Opportunities Agency	237	253
Canada Revenue Agency	21,830	21,605
Canadian Heritage	1,794	1,636
Canadian Northern Economic Development Agency	49	49
Citizenship and Immigration	2,045	1,962
Economic Development Agency of Canada for the Regions of Quebec	179	197
Employment and Social Development	75,043	71,252
Environment	1,658	1,644
Finance	88,892	87,990
Fisheries and Oceans	1,671	1,755
Foreign Affairs, Trade and Development	6,126	5,947
Health	6,245	6,194
Indian Affairs and Northern Development	8,780	6,794
Industry	4,395	4,659
Justice	1,625	1,592
National Defence	23,873	21,696
Natural Resources	2,253	2,189
Office of Infrastructure of Canada	3,020	3,511
Office of the Governor General's Secretary	20	20
Parliament	543	535
Privy Council Office	322	293
Public Safety and Emergency Preparedness	10,036	11,871
Public Works and Government Services	4,423	4,337
Transport	1,553	1,350
Treasury Board	3,277	2,947
Veterans Affairs	1,018	897
Western Economic Diversification	147	182
Provision for valuation and other items	(957)	2,875
Total ministries	272,178	268,664
Crown corporations and other entities	8,257	8,163
Total expenses	280,435	276,827

Details providing total expenses by segment and type can be found in Section 3 (unaudited) of this volume.
Certain comparative figures have been reclassified to conform to the current Government structure.

v. *Total expenses by type of resource used in operations*

The Consolidated Statement of Operations and Accumulated Deficit and the previous table present a breakdown of expenses by segment, which represent the expenses incurred for each of the main functions of the Government. The following table presents the detail of these expenses by main objects of expense:

	(in millions of dollars)	
Objects of expense	2015	2014
Transfer payments	174,693	169,395
Other program expenses —		
Crown corporations (1)	7,162	7,059
Personnel	43,811	44,994
Transportation and communications	2,422	2,472
Information	232	220
Professional and special services	8,090	7,753
Rentals	1,979	1,832
Repair and maintenance	2,312	2,498
Utilities, materials and supplies	2,514	2,461
Other subsidies and expenses	5,435	4,949
Amortization of tangible capital assets	5,090	4,865
Net loss on disposal of assets	101	109
Total other program expenses	79,148	79,212
Total program expenses	253,841	248,607
Public debt charges	26,594	28,220
Total expenses	280,435	276,827

Details reconciling objects of expense to objects of expenditure can be found in Section 3 (unaudited) of this volume and details on ministerial expenditures by object can be found in Section 1 (unaudited) of Volume II of the *Public Accounts of Canada*.

(1) This amount differs from the expense shown on the Consolidated Statement of Operations and Accumulated Deficit due to the amortization of tangible capital assets and the net loss on disposal of assets of consolidated Crown corporations, which have been reclassified within their respective object of expense.

5. Accumulated Deficit

The Government includes in its revenues and expenses, the transactions of consolidated Crown corporations and other entities controlled by the Government, and of certain accounts established for specified purposes. Legislation requires that revenues received for purposes specified in the legislation be credited to these accounts and that related payments be charged to the accounts. Any deficiency of payments over revenues must be met through future revenues or transfers credited to these accounts. The following table shows the balance of these consolidated accounts and the equity of the consolidated Crown corporations and other entities included in the accumulated deficit:

	(in millions of dollars)	
	2015	2014
Accumulated deficit, excluding consolidated accounts and accumulated other comprehensive income (1)	619,998	616,032
Consolidated specified purpose accounts —		
Employment Insurance Operating Account	(522)	2,734
Other insurance accounts	(707)	(691)
Other consolidated accounts	(306)	(321)
	618,463	617,754
Consolidated Crown corporations and other entities	(2,274)	(1,556)
Accumulated other comprehensive income	(3,859)	(4,317)
Accumulated deficit	612,330	611,881

(1) Included in this amount are actuarial gains and losses on pensions and other employee future benefits of enterprise Crown corporations and other government business enterprises which are a part of other comprehensive income but recorded directly to accumulated deficit and therefore are not a component of accumulated other comprehensive income.

Accumulated other comprehensive income

For enterprise Crown corporations and other government business enterprises recorded under the modified equity method, certain unrealized gains and losses on financial instruments and certain actuarial gains and losses related to pensions and other employee future benefits are recorded in other comprehensive loss or income in accordance with International Financial Reporting Standards (IFRS). The unrealized gains and losses on financial instruments reflect changes in the fair value of financial assets classified as available-for-sale or derivative instruments used in hedging activities and are excluded from the calculation of profit or loss until realized. Actuarial gains and losses related to pensions and other employee future benefits reflect differences between the actual and expected returns on plan assets as well as the difference between actual and expected experience and changes in actuarial assumptions used to determine the present value of the benefit obligations. In accordance with IFRS, these actuarial gains and losses are recorded directly to retained earnings without reclassification to profit or loss in a subsequent period.

Other comprehensive loss or income is excluded from the calculation of the Government's annual deficit. It is instead recorded directly to the Government's accumulated deficit. Upon realization of the gains and losses on financial instruments, the associated amounts are reclassified to the profit or loss of enterprise Crown corporations and other government business enterprises and then reflected in the Government's annual deficit. As indicated above, the actuarial gains and losses related to pensions and other employee future benefits are not reclassified.

The following table presents the different components of other comprehensive income as well as accumulated other comprehensive income included in the Government's accumulated deficit:

	(in millions of dollars)	
	2015	2014
Accumulated other comprehensive income at beginning of year	4,317	3,480
Other comprehensive (loss) or income —		
Net change in unrealized gains and losses on available-for-sale financial instruments	(450)	887
Net change in fair value of derivatives designated as hedges	(8)	(50)
Actuarial (losses) gains on pensions and other employee future benefits	(1,902)	1,823
Total	(2,360)	2,660
Less: Actuarial (losses) gains on pensions and other employee future benefits recorded directly to accumulated deficit	(1,902)	1,823
Accumulated other comprehensive income at end of year	3,859	4,317

6. Unmatured Debt

Unmatured debt includes:

	(in millions of dollars)	
	2015	2014
Market debt —		
Payable in Canadian currency	629,233	632,636
Payable in foreign currencies	20,267	16,030
Total	649,500	648,666
Cross currency swap revaluations	6,669	2,326
Unamortized discounts and premiums on market debt	4,296	3,184
Obligation related to capital leases	3,710	3,603
Other unmatured debt	1,005	1,179
Total unmatured debt	665,180	658,958

Unamortized discounts result from Treasury bills and Canada bills which are issued at a discount in lieu of interest. Discounts or premiums also result from the Government's bond buy-back program and from issuance of market debt when the face value of the instrument issued differs from the proceeds received. The unamortized portion represents the amount of premium and discount that has not yet been recorded to public debt charges.

i. Market debt

The following table presents the contractual maturity of debt issues and interest rates by currency and type of instrument at gross value (in Canadian dollars) and the effective average annual interest rates as at March 31, 2015:

	(in millions of dollars)								
	Marketable bonds					Canada bills	Medium-term notes		
Maturing year	CAD	USD	Euro	Treasury bills	Retail debt [1]	USD	USD	Euro	Total
2016	56,409			135,700	902	3,789			196,800
2017	95,367	3,842			1,140		507		100,856
2018	53,742	4,433			1,224				59,399
2019	31,023	3,820			992				35,835
2020	38,050	4	2,723		505		285		41,567
2021 and subsequent	212,822				897		728	204	214,651
	487,413	12,099	2,723	135,700	5,660	3,789	1,520	204	649,108
Less: Government holdings of unmatured debt and consolidation adjustment [2]	(468)	68		8					(392)
Total market debt	487,881	12,031	2,723	135,692	5,660	3,789	1,520	204	649,500
Nature of interest rate [3]	Fixed [4]	Fixed	Fixed	Variable	Variable	Variable	Fixed and variable	Fixed	
Effective weighted average annual interest rates	2.73	1.25	3.50	0.81	0.71	0.08	0.38	0.15	
Range of interest rates	0.25 - 11.25	0.88 - 9.70	3.50	0.43 - 1.02	0.50 - 1.40	0.02 - 0.20	0.18 - 2.30	0.15	

Details can be found in Section 6 (unaudited) of this volume.

[1] Includes $3,910 million of Canada savings bonds having fixed dates of maturity which are redeemable on demand.

[2] Includes $68 million of securities held for the retirement of unmatured debt, $15 million of securities held by consolidated Crown corporations and other entities and $475 million of borrowings by consolidated agent Crown corporations.

[3] Debt with terms to maturity of less than one year is considered to have a variable interest rate. For marketable bonds and foreign currency notes, some of the fixed interest rates were converted into variable interest rates through swap agreements.

[4] Includes real return bonds which have a variable component based on the consumer price index.

ii. Obligation related to capital leases

The total obligation related to capital leases as at March 31, 2015 is $3,710 million ($3,603 million in 2014). Interest on this obligation of $209 million ($214 million in 2014) is reported in the Consolidated Statement of Operations and Accumulated Deficit as part of public debt charges. Future minimum lease payments are summarized as follows:

Year	(in millions of dollars)
2016	498
2017	519
2018	462
2019	455
2020	349
2021 and subsequent	3,637
Total minimum lease payments	5,920
Less: imputed interest at the average discount rate of 5.62 percent	2,210
Obligation related to capital leases	3,710

Details can be found in Section 6 (unaudited) of this volume.

A significant number of leases have a duration from inception that falls within the range of 10 to 25 years.

7. Public Sector Pensions and Other Employee and Veteran Future Benefits

i. Overview of benefit plans

(a) Pension benefits

The Government sponsors a number of defined benefit pension plans covering substantially all the employees of the federal public service, as well as certain Public Service corporations as defined in the *Public Service Superannuation Act*, territorial governments, members of the Canadian Forces including the Reserve Force, members of the Royal Canadian Mounted Police, federally appointed judges and Members of Parliament, including Senators. The public service, Canadian Forces – Regular Force and Royal Canadian Mounted Police pension plans represent the three main public sector pension plans sponsored by the Government. In addition, some of the consolidated Crown corporations and other entities maintain their own defined benefit pension plans covering substantially all of their employees. In this note, the term "employees" is used in a general manner to apply to plan members of the different groups.

The defined benefit pension plans are designed to provide employees with a retirement income during their lifetime and, in the case of Government sponsored plans, are indexed to inflation. The indexation for Crown corporation and other entity pension plans varies depending on the specific plan. In the event of death, the pension plans also provide an income for a plan member's eligible survivors and dependants.

Pension benefits generally accrue as follows:

> For the three main public sector pension plans, pension benefits generally accrue based on a member's average earnings during the best five consecutive years of earnings and years of pensionable service. Plan members can accumulate up to a maximum of 35 years at a rate of two percent per year of pensionable service. Pension benefits are coordinated with the Canada and the Quebec Pension Plan benefits.
>
> For the Canadian Forces – Reserve Force pension plan, pension benefits accrue based on total pensionable service and pensionable earnings over the service period.
>
> For the Members of Parliament retiring allowance plan, basic allowances accrue at a rate of three percent per year of pensionable service multiplied by the average of the best five years of sessional indemnity up to a maximum of 75 percent of the plan member's average sessional indemnity. Retiring allowance benefits are coordinated with the Canada and the Quebec Pension Plan benefits at age 60. Members of Parliament are entitled to benefits after they have contributed to the plan for at least six years.
>
> For federally appointed judges, pension benefits do not have an explicit accrual rate. Instead, federally appointed judges may retire with a pension equivalent to two-thirds of the salary annexed to their office, once the member has completed 15 years of pensionable service and the sum of the member's age and years of service equals 80 or more.
>
> For the consolidated Crown corporation and other entity pension plans, pension benefits vary depending on the terms of the plans. Some plans are closed to new entrants.

(b) Other future benefits

In addition to pension plans, the Government and the consolidated Crown corporations and other entities sponsor different types of future benefit plans, with varying terms and conditions. The benefits are available to employees during or after employment or upon retirement. Other future benefits include disability and associated benefits available to war veterans, current and retired members of the Canadian Forces and the Royal Canadian Mounted Police, their survivors and dependants, health care and dental benefits available to retired employees and their dependants, accumulated sick leave entitlements, severance benefits and workers' compensation benefits.

ii. Financing arrangements

The Government has a statutory obligation to pay the pension benefits it sponsors. Pursuant to pension legislation, the transactions for funded and unfunded pension benefits are tracked in the pension accounts within the accounts of Canada. The details (unaudited) of the pension accounts can be found in Section 6 of this volume.

(a) Funded pension benefits

The pension plans are generally financed from employee and employer contributions, as well as investment earnings. Pension benefits funded by the Government relate to post March 2000 service that falls within the *Income Tax Act* limits for the three main public sector pension plans and all service for the Canadian Forces – Reserve Force pension plan, as an amount equal to contributions less benefit payments and other charges is invested in capital markets through the Public Sector Pension Investment Board (PSPIB). Funded pension benefits also relate to consolidated Crown corporations and other entities where pension plans' funds are held in external trusts that are legally separate from Crown corporations and other entities.

(b) Unfunded pension benefits

For unfunded pension benefits, separate market invested funds are not maintained. These relate to pre April 2000 service and post March 2000 service that falls above the *Income Tax Act* limits for the three main public sector pension plans, all service periods for the pension plans of the federally appointed judges and Members of Parliament, and some of the consolidated Crown corporation and other entity pension plans. Employee and employer contributions for unfunded pension benefits sponsored by the Government are part of general government funds. Contributions amounted to $247 million ($260 million in 2014).

(c) Other future benefits

Other employee and veteran future benefit plans sponsored by the Government and almost all of the other employee future benefits sponsored by the consolidated Crown corporations and other entities are unfunded. The health care and dental plans for retired employees are contributory plans, whereby contributions by retired plan members are made to obtain coverage. These contributions amounted to $211 million in 2015 ($201 million in 2014). The cost of benefits earned and benefits paid are presented net of these contributions. Additional details can be found in Section 6 (unaudited) of this volume.

iii. Actuarial valuations

(a) For funding purposes

Pursuant to the *Public Pensions Reporting Act*, actuarial valuations of the pension plans sponsored by the Government are performed at least every three years to determine the state of the pension plans, as well as to assist in making informed decisions regarding the financing of the Government's pension benefit obligations. The actuarial assumptions underlying the valuations are based on the actuary's best estimates.

The most recent triennial actuarial valuations were conducted as at March 31, 2013 for the Canadian Forces – Regular Force, Canadian Forces – Reserve Force, the Members of Parliament and the federally appointed judges pension plans; as at March 31, 2012 for the Royal Canadian Mounted Police pension plan; and as at March 31, 2014 for the public service pension plan, for which the valuation is currently in-progress.

(b) For accounting purposes

Actuarial valuations of the public sector pension and other employee and veteran future benefit plans are performed every year to measure and report the obligations and to attribute the costs of the benefits to the period. Actuarial valuations are conducted as at March 31, except for some of the consolidated Crown corporations and other entities for which the actuarial valuations are conducted as at December 31. The actuarial valuations are based on the most recent or any in-progress actuarial valuation for funding purposes, as applicable, in regards to the majority of the demographic assumptions. The other assumptions underlying the valuations are based on best estimates of the Government or of management of the consolidated Crown corporation and other entities.

iv. Changes to benefit plans

(a) Plan amendments

In 2015, amendments were made to the veteran future benefit plans thereby improving and expanding eligibility for certain benefits. This includes modifying the Earnings Loss Benefit to ensure that part-time Reserve Force veterans have access to the same minimum level of income support as Regular and full-time Reserve Force veterans and to ensure their benefits are calculated in the same way; expanding access to the Permanent Impairment Allowance to help compensate disabled veterans for the loss of career opportunities associated with their disabilities; and changes to vocational rehabilitation so that there is more flexibility in identifying a suitable employment goal – one that reflects both their military and civilian work experiences. Furthermore, access to treatment and long-term care benefits were improved by expanding services within the Operational Stress Injury Social Support Program as well as the transfer of the Sainte-Anne's Hospital to the government of Quebec effective April 1, 2016. New veteran future benefits were also created. This includes the Family Caregiver Relief Benefit which will provide annual financial support to eligible veterans who have an informal caregiver who plays an essential role in the provision or coordination of their care. The Retirement Income Security Benefit was created to provide additional financial security after the age of 65 for moderately to severely disabled veterans. The new Critical Injury Benefit will compensate eligible Canadian Armed Forces members and veterans for the immediate impacts of the most severe and traumatic service-related injuries or diseases between the time the injury occurs and the time when their condition becomes medically stable. These amendments resulted in one-time past service cost of $1,828 million and the immediate recognition of a previously unrecognized net actuarial gain of $69 million.

With respect to the employee severance benefit plan, an amendment was agreed upon resulting in a one-time past service cost of $3 million ($23 million in 2014) and the immediate recognition of a previously unrecognized net actuarial gain of $3 million (nil in 2014).

In 2014, an amendment to the Public Service Health Care Plan resulted in a one-time past service cost reduction of $7,890 million and the immediate recognition of a previously unrecognized net actuarial loss of $7,106 million. Amendments to the veteran future benefit plans resulted in one-time past service costs of $317 million. The amendments to the veteran future benefit plans also resulted in the immediate recognition of a previously unrecognized net actuarial gain of $49 million.

(b) Plan curtailments

In 2015, former employees of the Candu Reactor Division of Atomic Energy of Canada Limited ceased to be employed in the public service and became employed by a new employer. As a result, new regulations defer the availability of pensions under the PSSA for those individuals who choose to leave their accrued pension benefits under the PSSA until such time as they cease to be employed with the new employer. The impact of this curtailment is a one-time past service cost of $51 million and the immediate recognition of a previously unrecognized net actuarial gain of $6 million.

Beginning in 2011, the accumulation of severance benefits for voluntary departures ceased for certain employee groups. Employees subject to these changes are being given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. The impact of the curtailments is a one-time past service cost reduction of $3 million ($94 million in 2014) and the immediate recognition of a previously unrecognized net actuarial gain of $37 million (net actuarial loss of $69 million in 2014), representing the portion related to the obligation for employees subject to the curtailments.

(c) Plan settlements

In 2015, payments of $643 million ($1,178 million in 2014) were made to employees affected by the curtailments of the severance benefit plan who opted to cash out the full or partial value of their accumulated benefits. Because the actual cost of settling part of the obligation differed from the liability previously recorded, a one-time past service cost reduction of $49 million (past service cost of $127 million in 2014) was recognized along with a previously unrecognized net actuarial gain of $101 million (net actuarial loss of $131 million in 2014), representing the portion related to the obligation for employees subject to the settlements.

v. *Net future benefit liabilities*

The accrued benefit obligations in respect of public sector pension and other employee and veteran future benefit plans are presented net of pension assets and unrecognized net actuarial gain or loss, as well as contributions and benefits paid by some of the consolidated Crown corporations and other entities after their measurement date of December 31 up to March 31, in the Consolidated Statement of Financial Position. The details are as follows:

(a) Accrued benefit obligations

The changes in the accrued benefit obligations during the year were as follows:

	(in millions of dollars)							
	2015				2014			
	Pension benefits				Pension benefits			
	Funded	Unfunded	Total	Other future benefits	Funded	Unfunded	Total	Other future benefits
Accrued benefit obligations at beginning of year	97,912	156,452	254,364	82,170	90,448	159,066	249,514	99,915
Benefits earned	6,332	270	6,602	2,844	6,484	285	6,769	3,429
Interest on average accrued benefit obligations	4,963	7,597	12,560	2,857	4,452	8,154	12,606	2,644
Benefits paid	(2,282)	(8,613)	(10,895)	(5,062)	(1,989)	(8,495)	(10,484)	(5,778)
Administrative expenses	(81)	(105)	(186)	(66)	(77)	(114)	(191)	(64)
Net transfers to other plans	(559)	(114)	(673)		(491)	(142)	(633)	
Plan amendments				1,831				(7,550)
Plan curtailments	(40)	(11)	(51)	(3)				(94)
Plan settlements				(49)				127
Actuarial (gains) losses	3,130	7,612	10,742	21,741	(915)	(2,302)	(3,217)	(10,459)
Accrued benefit obligations at end of year	109,375	163,088	272,463	106,263	97,912	156,452	254,364	82,170

Details can be found in Section 6 (unaudited) of this volume.

(b) Pension assets

Pension assets include investments held by the PSPIB that are valued at market related value; consolidated Crown corporations' investments, the majority of which are valued at fair value; and contributions receivable from employees for past service buy-back elections.

The changes in pension assets during the year were as follows:

	(in millions of dollars)			
	2015		2014	
	Funded pension benefits	Other future benefits	Funded pension benefits	Other future benefits
Investments at beginning of year	92,913	5	79,746	6
Expected return on average value of investments	4,764		3,961	
Contributions				
Employees	2,553		2,423	
Public Service corporations, territorial governments and Crown corporations and other entities	420	1	456	2
Government	4,161		4,418	
Benefits paid, transfers and others	(2,736)	(3)	(2,424)	(3)
Actuarial gains	8,685		4,333	
Investments at end of year	110,760	3	92,913	5
Contributions receivable from employees for past service	587		568	
Total pension assets at end of year	111,347	3	93,481	5

Details can be found in Section 6 (unaudited) of this volume.

Actuarial gains of $2,778 million ($94 million in 2014) were incorporated in the market related value of the investments to adjust for the limit of plus or minus 10 percent in the difference between the market related value and the market value of the investments at the end of the year.

At March 31, 2015, the market value of the investments is $122,023 million ($102,319 million in 2014). The actual rate of return of investments calculated on a time-weighted basis was 14.9 percent (15.6 percent in 2014) during the year.

(c) Net future benefit liabilities

A reconciliation of the accrued benefit obligations to the amounts of net future benefit liabilities follows:

	(in millions of dollars)							
	2015				2014			
	Pension benefits				Pension benefits			
	Funded	Unfunded	Total	Other future benefits	Funded	Unfunded	Total	Other future benefits
Accrued benefit obligations	109,375	163,088	272,463	106,263	97,912	156,452	254,364	82,170
Less: Pension assets	111,347		111,347	3	93,481		93,481	5
Subtotal	(1,972)	163,088	161,116	106,260	4,431	156,452	160,883	82,165
Plus: Unrecognized net actuarial gain (less loss)	6,475	(16,147)	(9,672)	(30,118)	810	(9,436)	(8,626)	(10,204)
Less: Contributions after measurement date up to March 31	43		43		33		33	
Less: Benefits paid after measurement date up to March 31				2				2
Net future benefit liabilities	4,460	146,941	151,401	76,140	5,208	147,016	152,224	71,959
The net future benefit liabilities were recognized and presented in the Consolidated Statement of Financial Position as follows:								
Public sector pension liabilities	5,723	146,941	152,664		6,146	147,016	153,162	
Other employee and veteran future benefit liabilities				76,140				71,959
Total pensions and other future benefit liabilities	5,723	146,941	152,664	76,140	6,146	147,016	153,162	71,959
Less: Public sector pension assets	1,263		1,263		938		938	
Net future benefit liabilities	4,460	146,941	151,401	76,140	5,208	147,016	152,224	71,959

Details can be found in Section 6 (unaudited) of this volume.

vi. Future benefit and interest expenses

The cost of public sector pension and other employee and veteran future benefit plans is comprised of benefit and interest expenses. Benefit expense of $11,164 million ($13,273 million in 2014) and interest expense of $10,653 million ($11,289 million in 2014) are included in the Consolidated Statement of Operations and Accumulated Deficit. More specifically, a benefit expense of $11,144 million ($13,221 million in 2014) is included in ministries expenses, an interest expense of $10,748 million ($11,328 million in 2014) is included in public debt charges and a balance of $75 million in benefit and interest expenses is included as a reduction ($13 million increase in 2014) in Crown corporations' expenses. The components of the benefit and interest expenses are as follows:

	(in millions of dollars)							
	2015				2014			
	Pension benefits				Pension benefits			
	Funded	Unfunded	Total	Other future benefits	Funded	Unfunded	Total	Other future benefits
Benefit expense								
Benefits earned, net of employee contributions	3,561	211	3,772	2,844	3,818	227	4,045	3,429
Actuarial losses recognized during the year	98	901	999	2,037	611	1,343	1,954	4,105
Plan amendments				1,831				(7,550)
Plan curtailments	(40)	(11)	(51)	(3)				(94)
Plan settlements				(49)				127
Actuarial (gains) losses recognized following plan amendments, curtailments and settlements	(6)		(6)	(210)				7,257
Total	3,613	1,101	4,714	6,450	4,429	1,570	5,999	7,274
Interest expense								
Interest on average accrued benefit obligations	4,963	7,597	12,560	2,857	4,452	8,154	12,606	2,644
Expected return on average market related value of investments	(4,764)		(4,764)		(3,961)		(3,961)	
Total	199	7,597	7,796	2,857	491	8,154	8,645	2,644

Details can be found in Section 6 (unaudited) of this volume.

vii. Actuarial assumptions

The assumptions used in the actuarial valuations for accounting purposes are based on the Government's or the consolidated Crown corporations and other entities management's best estimates of expected long-term experience and short-term forecasts, as well as the majority of the demographic assumptions underlying the most recent or any in-progress actuarial valuations for funding purposes. The assumptions include estimates of future inflation, interest rates, returns on investments, general wage increases, workforce composition, retirement rates and mortality rates.

The discount rates used to measure the present value of the accrued benefit obligations, as well as the costs of benefits earned, plan amendments, plan curtailments, plan settlements and the interest expense, for public sector pensions and other employee and veteran future benefits sponsored by the Government are as follows:

for funded pension benefits, the streamed expected rates of return on invested funds;

for unfunded pension benefits, the streamed weighted average of Government of Canada long-term bond rates; and

for other future benefits, the expected Government of Canada long-term bond rate at the valuation date.

The streamed weighted average of Government of Canada long-term bond rates is a calculated 20-year weighted moving average of Government of Canada long-term bond rates projected over time. The streamed rates take into account historical Government of Canada long-term bond rates and, over time, reflect expected Government of Canada long-term bond rates.

The principal actuarial assumptions used in measuring the accrued benefit obligations as at March 31 for Government sponsored plans, as well as the related future benefit and interest expenses for the year, were as follows:

	2015		2014	
	Accrued benefit obligations	Benefit and interest expenses	Accrued benefit obligations	Benefit and interest expenses
Discount rates [1]				
Funded pension benefits	5.8 %	4.9 %	5.9 %	4.7 %
Unfunded pension benefits	4.2 %	5.1 %	4.6 %	5.4 %
Other employee and veteran future benefits	2.4 %	3.5 %	3.5 %	2.7 %
Expected rate of return on investments		4.9 %		4.7 %
Long-term rate of inflation	2.0 %	2.0 %	2.0 %	2.0 %
Long-term general wage increase	2.6 %	2.6 %	2.6 %	2.6 %
Assumed health care cost trend rates				
Initial health care cost trend rate	4.5 %	4.6 %	4.6 %	3.8 %
Cost trend rate is expected to stabilize at	4.8 %	4.8 %	4.8 %	4.8 %
Year that the rate is expected to stabilize	2024	2023	2023	2022

(1) The streamed discount rates used to measure the accrued benefit obligations are equivalent to the flat discount rates presented in the table. The initial discount rates used to measure the benefit expense are presented in the table whereas the ultimate discount rates are expected to reach 6.1 percent by 2022 (6.1 percent by 2020 in 2014) for the funded pension benefits and 5.1 percent by 2040 (5.1 percent by 2036 in 2014) for the unfunded pension benefits. The interest expense is calculated using the discount rates presented in the table.

The discount rates used by the consolidated Crown corporations and other entities to measure their accrued benefit obligations range from 4.8 percent to 6.3 percent (5.7 to 6.3 percent in 2014) for the funded pension benefits, from 2.2 percent to 3.5 percent (3.1 to 4.3 percent in 2014) for the unfunded pension benefits, and from 2.2 percent to 4.0 percent (2.8 to 4.8 percent in 2014) for the other employee future benefits.

The expected average remaining service life (EARSL) of the employees represent periods ranging from 4 to 23 years (3 to 23 years in 2014) according to the plan in question; more specifically, from 11 to 15 years (11 to 15 years in 2014) for the three main public sector pension plans. The average remaining life expectancy (ARLE) of the benefit recipients under wartime veteran plans represent periods ranging from 6 years to 11 years (6 to 11 years in 2014).

viii. Sensitivity analysis

Changes in assumptions can result in significantly higher or lower estimates of the accrued benefit obligations. The table below illustrates the possible impact of a one percent change in the principal actuarial assumptions. Note that for the sensitivity to the discount rates, the one percent change was considered only for the future expected Government of Canada long-term bond rates and not for the historical Government of Canada long-term bond rates included in the determination of the streamed discount rates used to measure the unfunded pension benefits sponsored by the Government.

	(in millions of dollars)					
	2015			2014		
	Pension benefits			Pension benefits		
	Funded	Unfunded	Other future benefits	Funded	Unfunded	Other future benefits
Possible impact on the accrued benefit obligations due to:						
Increase of 1 % in discount rates	(17,300)	(8,700)	(17,200)	(15,600)	(8,400)	(11,600)
Decrease of 1 % in discount rates	22,500	9,100	23,500	20,400	9,500	15,300
Increase of 1 % in rate of inflation	14,300	20,400	20,900	12,700	19,300	13,900
Decrease of 1 % in rate of inflation	(11,800)	(17,000)	(15,700)	(10,300)	(16,200)	(10,600)
Increase of 1 % in general wage increase	6,100	1,200	500	5,700	1,400	400
Decrease of 1 % in general wage increase	(5,300)	(1,100)	(400)	(5,000)	(1,200)	(300)
Increase of 1 % in assumed health care cost trend rates			7,500			4,700
Decrease of 1 % in assumed health care cost trend rates			(5,400)			(3,500)

8. Other Liabilities

Other liabilities include:

	(in millions of dollars)	
	2015	2014
Due to Canada Pension Plan	212	140
Others —		
Government Annuities Account	150	166
Deposit and trust accounts	1,675	1,686
Other specified purpose accounts	3,965	3,922
	5,790	5,774
Total other liabilities	6,002	5,914

Details and the audited consolidated financial statements of the Canada Pension Plan can be found in Section 6 (unaudited) of this volume.

i. Due to Canada Pension Plan

As explained in Note 1, the financial activities of the Canada Pension Plan (CPP) are not included in these consolidated financial statements.

The CPP is a federal/provincial social insurance program established by an Act of Parliament. It is compulsory and in operation in all parts of Canada, except for the Province of Quebec. The objective of the program is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability or death. The CPP is financed from employees, employers and self-employed workers contributions, as well as investments earnings. The CPP's investments are held and managed by the Canada Pension Plan Investment Board (CPPIB). As administrator of the CPP, the Government's authority to provide benefits is limited to the consolidated net assets of the CPP. At March 31, 2015, the fair value of the CPP's consolidated net assets is $269,615 million ($223,209 million in 2014).

Pursuant to the *Canada Pension Plan Act*, the transactions of the CPP are recorded in the Canada Pension Plan Account (the Account) within the accounts of Canada. The Account also tracks the amounts transferred to or received from the CPPIB. The $212 million ($140 million in 2014) balance in the Account represents the CPP's deposit with the Receiver General for Canada and, therefore, is reported as a liability to the CPP.

ii. Others

Deposit and trust accounts are a group of liabilities representing the Government's financial obligations in its role as administrator of certain funds that it has received or collected for specified purposes and that it will pay out accordingly. To the extent that the funds received are represented by negotiable securities, these are deducted from the corresponding accounts to show the Government's net liability. Certain accounts earn interest which is charged to interest on the public debt. One of the largest deposit and trust accounts is the Indian band funds account in the amount of $835 million ($833 million in 2014). This account was established to record funds belonging to Indian bands throughout Canada pursuant to the *Indian Act*.

Other specified purpose accounts are liability accounts that are used to record transactions made under authorities obtained from Parliament through either the *Financial Administration Act* or other specific legislation. Certain accounts earn interest which is charged to interest on the public debt. The largest other specified purpose account is the Public Service Death Benefit Account totalling $3,424 million ($3,310 million in 2014). This account was established under the *Public Service Superannuation Act* to provide life insurance to contributing members of the public service.

9. Cash and Cash Equivalents

Cash and cash equivalents are as follows:

	(in millions of dollars)	
	2015	2014
Cash [1]	28,845	27,469
Cash equivalents	6,154	3,960
Total cash and cash equivalents	34,999	31,429

Details can be found in Section 7 (unaudited) of this volume.

[1] Included in cash is $20,000 million ($20,000 million in 2014) which has been designated as a deposit held at the Bank of Canada with respect to prudential liquidity management undertaken by the Government.

10. Taxes and Other Accounts Receivable

Taxes receivable represent tax revenues that were assessed by year end as well as amounts receivable due to the accrual of tax revenues as at March 31. These accrued receivables are not due until the next fiscal year. They also include other receivables for amounts collectible through the tax system such as provincial and territorial taxes, Employment Insurance premiums and Canada Pension Plan contributions.

The Government has established an allowance for doubtful accounts of $13,138 million ($12,690 million in 2014) and has recorded a bad debt expense of $3,910 million ($3,751 million in 2014). The allowance for doubtful accounts is management's best estimate of the collectability of amounts that have been assessed, including the related interest and penalties, but not yet paid. The allowance for doubtful accounts has two components. A general allowance is calculated based on the age and type of tax accounts using rates based on historical collection experience. A specific allowance is calculated based on an annual review of all accounts over $10 million. The allowance for doubtful accounts is adjusted every year through a provision for doubtful accounts and is reduced by amounts written off as uncollectible during the year. The annual provision is reported as a bad debt expense which is charged against other program expenses. The details of the taxes receivable and allowance for doubtful accounts are as follows:

	(in millions of dollars)					
	2015			2014		
	Total taxes receivable	Allowance for doubtful accounts	Net	Total taxes receivable	Allowance for doubtful accounts	Net
Income taxes receivable —						
Individuals	55,150	6,660	48,490	52,161	6,621	45,540
Employers	17,652	1,052	16,600	16,127	945	15,182
Corporations	16,964	2,282	14,682	15,410	2,152	13,258
Non-residents	1,462	138	1,324	1,442	138	1,304
Goods and services tax receivable	18,248	2,785	15,463	17,752	2,779	14,973
Customs duties receivable	266	24	242	246	16	230
Excise taxes and duties receivable	1,895	197	1,698	2,041	39	2,002
Total	111,637	13,138	98,499	105,179	12,690	92,489

Details can be found in Section 7 (unaudited) of this volume.

Other accounts receivable represent billed or accrued financial claims arising from amounts owed to the Government at year end. Total other accounts receivable amount to $5,418 million ($6,521 million in 2014) and are presented net of an allowance for doubtful accounts of $2,220 million ($1,865 million in 2014). Further details can be found in Section 7 (unaudited) of this volume.

11. Foreign Exchange Accounts

Foreign exchange accounts represent financial claims and obligations of the Government as a result of Canada's foreign exchange operations.

The Government holds certain investments in its Exchange Fund Account to provide general liquidity and to promote orderly conditions in the foreign exchange market for the Canadian dollar. As at March 31, 2015, the fair value of the marketable securities held in the Exchange Fund Account is $84,241 million ($68,976 million in 2014). Further details on these investments are provided in the unaudited financial statements of the Exchange Fund Account in Section 8 of this volume.

Subscriptions and loans to the International Monetary Fund (IMF) and special drawing rights allocations are denominated in special drawing rights (SDR). The SDR serves as the unit of account for the IMF and its value is based on a basket of key international currencies (US dollar, Euro, Japanese yen and British pound sterling). Canada participates in two multi-lateral lending arrangements with the IMF along with a group of other member countries. Collectively, maximum direct lending under the multi-lateral arrangements is limited to no more than the equivalent of SDR 8,517 million ($14,881 million) at March 31, 2015.

The following table presents the balances of the foreign exchange accounts:

	(in millions of dollars)	
	2015	2014
International reserves held in the Exchange Fund Account —		
Cash and cash equivalents —		
US dollar	441	391
Euro	189	51
British pound sterling	48	2
Japanese yen	17	10
Short-term deposits		223
Total	695	677
Marketable securities —		
US dollar	60,558	46,636
Euro	17,685	19,903
British pound sterling	2,405	199
Japanese yen	794	316
Total	81,442	67,054
Special drawing rights	9,818	9,628
Gold	6	6
Total international reserves held in the Exchange Fund Account	91,961	77,365
International Monetary Fund —		
Subscriptions	11,129	10,883
Loans	1,353	1,665
Total	104,443	89,913
Less:		
International Monetary Fund —		
Special drawing rights allocations	10,463	10,232
Notes payable	8,962	7,419
Total	19,425	17,651
Total foreign exchange accounts	85,018	72,262

Details can be found in Section 8 (unaudited) of this volume.

12. Crown Corporations and Other Entities

Parent Crown corporations are included in the reporting entity of the Government. There are also a number of not-for-profit organizations and other government business enterprises that meet the definition of control for financial reporting purposes and are included in the reporting entity of the Government.

i. Consolidated Crown corporations and other entities

Some Crown corporations and not-for-profit organizations rely on the Government for most of their financing and their financial activities are consolidated in these financial statements. The major consolidated Crown corporations are Atomic Energy of Canada Limited, Canadian Air Transport Security Authority, Canadian Broadcasting Corporation, Canadian Commercial Corporation and VIA Rail Canada Inc. The major consolidated not-for-profit organizations are the Canada Foundation for Innovation and the Canada Foundation for Sustainable Development Technology. Detailed information on these consolidated entities is included in Section 4 (unaudited) of this volume.

ii. Enterprise Crown corporations and other government business enterprises

The remaining Crown corporations are government business enterprises able to raise substantial portions of their revenues through commercial business activity and are therefore considered self-sustaining. These Crown corporations are referred to as enterprise Crown corporations. The major enterprise Crown corporations include the Bank of Canada, Canada Mortgage and Housing Corporation, Canada Post Corporation and Export Development Canada.

In addition, there are a number of self-sustaining government business enterprises that are not Crown corporations but which are controlled by the Government. These are referred to as other government business enterprises. Investments in enterprise Crown corporations and other government business enterprises are recorded under the modified equity method.

The following table presents the Government's recorded loans, investments and advances in significant enterprise Crown corporations and other government business enterprises:

	(in millions of dollars)	
	2015	2014
Investments —		
Canada Mortgage and Housing Corporation	18,733	16,511
Export Development Canada	8,527	7,276
Farm Credit Canada	4,855	4,166
Business Development Bank of Canada	4,745	4,339
Canada Development Investment Corporation	3,880	4,953
Canada Deposit Insurance Corporation	1,801	1,568
Canada Post Corporation	(2,277)	(1,140)
Other	3,544	3,644
Total investments	43,808	41,317
Loans and advances —		
Farm Credit Canada	22,691	22,029
Business Development Bank of Canada	15,676	14,320
Canada Mortgage and Housing Corporation	10,708	21,173
Other	333	148
Total loans and advances	49,408	57,670
Less:		
Loans expected to be repaid from future appropriations	3,792	4,145
Unamortized discounts and premiums	49	27
	3,841	4,172
Total loans, investments and advances to enterprise Crown corporations and other government business enterprises	89,375	94,815

Details can be found in Section 9 (unaudited) of this volume.

The following table presents the summary financial position and results of enterprise Crown corporations and other government business enterprises:

	(in millions of dollars)					
	2015			2014		
	Third Parties	Government, Crown corporations and other entities	Total	Third Parties	Government, Crown corporations and other entities	Total
Assets —						
Financial assets	352,984	103,664	456,648	349,246	97,118	446,364
Non-financial assets	9,180		9,180	9,359		9,359
Total assets	362,164	103,664	465,828	358,605	97,118	455,723
Liabilities	349,723	71,735	421,458	333,096	80,951	414,047
Equity of Canada as reported			44,370			41,676
Elimination adjustments			(562)			(359)
Equity of Canada			43,808			41,317
Revenues	27,247	4,467	31,714	27,478	4,511	31,989
Expenses	20,916	2,402	23,318	22,999	3,065	26,064
Profit as reported			8,396			5,925
Adjustments and others			(31)			20
Profit			8,365			5,945
Other changes in equity —						
Other comprehensive (loss) or income			(2,360)			2,660
Dividends (1)			(2,341)			(5,215)
Capital (2)			(1,030)			50
Other adjustments			(143)			
			2,491			3,440
Equity of Canada at beginning of year			41,317			37,877
Equity of Canada at end of year			43,808			41,317
Contractual obligations			47,555			44,803
Contingent liabilities			2,503			2,409

Details can be found in Section 9 (unaudited) of this volume.

(1) Amounts reported as dividends include $1,041 million ($1,331 million in 2014) from Canada Development Investment Corporation, $1,100 million ($1,127 million in 2014) from the Bank of Canada and nil ($2,569 million in 2014) from Export Development Canada.

(2) Amounts reported as capital include a return of capital of $1,030 million (nil in 2014) from Canada Development Investment Corporation.

iii. Non Public Property

Non Public Property (NPP), as defined under the *National Defence Act*, consists of money and property contributed to or by Canadian Forces members and is administered for their benefit and welfare by the Canadian Forces Morale and Welfare Services (CFMWS). The CFMWS is responsible for delivering selected morale and welfare programs, services and activities through three operational divisions, Canadian Forces Exchange System (CANEX), Personnel Support Programs and Service Income Security Insurance Plan (SISIP) Financial Services. Under the *National Defence Act*, NPP is explicitly excluded from the *Financial Administration Act*. The Government provides some services related to NPP activities such as accommodation and security for which no amount is charged. The cost of providing these services is included in the consolidated financial statements of the Government of Canada. In 2015, CFMWS administered estimated revenues and expenses of $327 million ($400 million in 2014) and $294 million ($331 million in 2014) respectively and had net equity of $708 million at March 31, 2015 ($685 million at March 31, 2014). These amounts are excluded from the consolidated financial statements of the Government of Canada.

13. Other Loans, Investments and Advances

The following table presents a summary of the balances of other loans, investments and advances by category:

	(in millions of dollars)	
	2015	2014
National governments, including developing countries and international organizations —		
National governments including developing countries	988	382
International organizations	20,189	19,150
Total	21,177	19,532
Other loans, investments and advances		
Provincial and territorial governments	1,112	1,877
Other loans, investments and advances	28,324	26,583
Total	29,436	28,460
Total	50,613	47,992
Less: allowance for valuation	26,307	25,172
Total other loans, investments and advances	24,306	22,820

Details can be found in Section 9 (unaudited) of this volume.

The following table presents a summary of the balances of other loans, investments and advances by currency:

	(in millions of dollars)			
	2015			2014
	Loans, investments and advances in base currency	Foreign exchange rate	Loans, investments and advances CAD	Loans, investments and advances CAD
Canadian dollar	45,253		45,253	43,348
US dollar	4,123	1.26660	5,222	4,552
Special drawing rights	68	1.74726	119	75
Various other currencies			19	17
Total			50,613	47,992

Loans to national governments consist mainly of loans for financial assistance totalling $400 million (nil in 2014), international development assistance to developing countries totalling $164 million ($187 million in 2014), and development of export trade totalling $424 million ($195 million in 2014) which are administered by Export Development Canada. Certain loans are non-interest bearing and others bear interest at rates varying from 1.0 percent to 10.3 percent. These loans are repayable over 1 to 31 years, with final instalments due in 2045.

Loans, investments and advances to international organizations include subscriptions to the share capital of international banks totalling $12,654 million ($11,951 million in 2014) as well as loans and advances to associations and other international organizations totalling $7,536 million ($7,201 million in 2014). These subscriptions are composed of both paid-in and callable capital. They do not provide a return on investment but are repayable on termination of the organization or withdrawal from it. Most loans and advances to international organizations are made to banks and associations that use these funds to make loans to developing countries at significant concessionary terms.

Loans to provinces and territories include loans made under relief acts and other legislation. Loans totalling $789 million ($1,234 million in 2014) are non-interest bearing and are repayable over 1 to 11 years. An amount of $320 million ($640 million in 2014) is due from British Columbia regarding the Comprehensive Integrated Tax Coordination Agreement and is due in equal annual instalments with the final payment due March 2016. The Government has not collected interest on these amounts. The remaining loans totalling $3 million ($3 million in 2014) bear interest at rates varying from 4.5 percent to 9.5 percent with final instalments due in 2015.

Other loans, investments and advances include portfolio investments and loans and advances under various programs to individuals and organizations which include loans under the Canada Student Loans Program of $17,519 million ($16,739 million in 2014), and loans for development of export trade which are administered by Export Development Canada of $2,772 million ($2,595 million in 2014). Collateral of $259 million ($272 million in 2014) is held on loans for development of export trade. Loans under the Canada Student Loans Program are provided interest-free to full-time students and afterward bear interest at either a variable prime rate plus 2.5 percent or a fixed prime rate plus 5.0 percent. The repayment period is generally 10 years. Certain loans for development of export trade are non-interest bearing and others bear interest at rates varying from 1.9 percent to 12.8 percent. These loans are repayable over 1 to 9 years, with final instalments due in 2023.

14. Tangible Capital Assets

Tangible capital assets consist of acquired, built, developed or improved tangible assets, whose useful life extends beyond the fiscal year and which are intended to be used on an ongoing basis for producing goods or delivering services, including military activities. Tangible capital assets include land, buildings, works and infrastructure, machinery and equipment including computer hardware and software, vehicles including ships, aircraft and others, leasehold improvements, and assets under construction. Software and leasehold improvements include only the cost of assets acquired since April 1, 2001. Tangible capital assets also include assets under capital lease. Renewal options for assets under capital leases are typically for periods of 3 to 5 years and are exercisable at the discretion of the lessee. Detailed information (unaudited) on tangible capital assets is provided in Section 10 of this volume.

Except for land, the cost of tangible capital assets used in Government operations is generally amortized on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	10 to 40 years
Works and infrastructure [1]	5 to 40 years
Machinery and equipment	3 to 30 years
Vehicles	3 to 40 years
Leasehold improvements	lesser of useful life of improvement or lease term
Assets under construction	once in service, in accordance with asset type
Assets under capital leases	in accordance with asset type or over the lease term

(1) Except for the Confederation Bridge, which is amortized over 100 years.

The following table presents a summary of the transactions and balances for the main categories of tangible capital assets:

	(in millions of dollars)											
	Cost					Accumulated amortization						
	Opening balance	Acquisitions	Disposals	Adjustments [1]	Closing balance	Opening balance	Amortization expense	Disposals	Adjustments	Closing balance	Net book value 2015	Net book value 2014
Land	1,597	36	(32)	4	1,605						1,605	1,597
Buildings	27,047	229	(350)	2,424	29,350	14,330	767	(316)	155	14,936	14,414	12,717
Works and infrastructure	13,977	227	(160)	505	14,549	8,001	419	(142)	(2)	8,276	6,273	5,976
Machinery and equipment	34,556	484	(1,296)	1,181	34,925	24,680	1,989	(888)	(169)	25,612	9,313	9,876
Vehicles	36,452	157	(520)	1,534	37,623	22,420	1,481	(279)	(234)	23,388	14,235	14,032
Leasehold improvements	2,972	32	(98)	210	3,116	1,787	206	(83)		1,910	1,206	1,185
Assets under construction	13,850	5,639	(230)	(5,900)	13,359						13,359	13,850
Assets under capital leases	4,517	400 [2]	(130)	74	4,861	1,808	228	(114)	(3)	1,919	2,942	2,709
Total	134,968	7,204	(2,816)	32	139,388	73,026	5,090	(1,822)	(253)	76,041	63,347	61,942

Details can be found in Section 10 (unaudited) of this volume.

(1) Adjustments include assets under construction of $5,193 million that were transferred to other categories upon completion of the assets.

(2) Acquisitions of assets under capital leases do not involve the use of cash and are therefore excluded from the Consolidated Statement of Cash Flow.

Some leases have escalation clauses for the operating cost component and are based on the consumer price index.

15. Financial Instruments

The Government uses various financial instruments to manage financial risks associated with its financial assets and liabilities. The Government does not hold or use derivative instruments for trading or speculative purposes.

i. Derivative financial instruments

(a) Swap agreements

Government debt is issued at both fixed and variable interest rates and is denominated in Canadian dollars, US dollars and Euros. The Government has entered into cross currency swap agreements to facilitate management of its debt structure. Using cross currency swap agreements, Canadian dollar and other foreign currency debt has been converted into US dollars or other foreign currencies with either fixed interest rates or variable interest rates. As a normal practice, the Government 's swap positions are held to maturity.

The interest paid or payable and the interest received or receivable on all swap transactions are recorded as part of public debt charges. Unrealized gains or losses due to fluctuations in the foreign exchange value of the swaps are presented in the cross currency swap revaluation account and are recognized as part of net foreign exchange revenues in the Consolidated Statement of Operations and Accumulated Deficit.

Cross currency swaps with contractual principal amounts outstanding at March 31, stated in Canadian dollars, are as follows:

	(in millions of dollars)
Maturing year	2015
2016	5,107
2017	4,898
2018	5,610
2019	6,708
2020	7,296
2021 and subsequent	33,472
Total	63,091

(b) Foreign-exchange forward agreements

The Government's lending arrangements with the IMF, included in the Foreign Exchange Accounts, are denominated in SDRs. However, the government typically funds these loans with US dollars. Consequently, since the value of the SDR is based upon a basket of key international currencies (US dollar, Euro, Japanese yen and British pound sterling), a currency mismatch results, whereby fluctuations in the value of the loan asset are not equally offset by fluctuations in the value of the related funding liability. Therefore, the Government enters into forward agreements to hedge this foreign exchange risk.

Unrealized gains or losses due to fluctuations in the foreign exchange value of these agreements are recorded in accounts payable and accrued liabilities and are recognized as part of the net foreign exchange revenues in the Consolidated Statement of Operations and Accumulated Deficit.

The notional principal amount of a foreign-exchange forward agreement refers to the principal amount used to calculate contractual cash flows. This amount does not represent an asset or liability, and is not included in the Consolidated Statement of Financial Position. Foreign-exchange forward agreements outstanding at March 31, with notional principal amounts in Canadian dollars of $1,572 million ($2,650 million at March 31, 2014), mature during the next fiscal year.

(c) Credit risk related to swap and foreign-exchange forward agreements

The Government manages its exposure to credit risk by dealing principally with financial institutions having credit ratings from at least two recognized rating agencies, one of which must be Standard & Poor's or Moody's. At the time of inception of the agreement, the credit rating of the institution must be at least A-.

Credit risk is also managed through collateral provisions in swap and foreign-exchange forward agreements. Counterparties must pledge collateral to the Government, which, in the event of default, could be liquidated to mitigate credit losses.

The Government does not have a significant concentration of credit risk with any individual institution and does not anticipate any counterparty credit loss with respect to its swap and foreign-exchange forward agreements.

The following table presents the contractual or notional principal amounts of the swap and foreign-exchange forward agreements organized by credit ratings based on published Standard & Poor's credit ratings and stand-alone credit profiles at year end:

	(in millions of dollars)	
Credit ratings	2015	2014
A+	17,774	16,707
A	14,040	14,782
A-	26,518	16,703
BBB+	4,765	6,769
BBB	1,566	1,803
Total	64,663	56,764

ii. Managing foreign currency risk and sensitivity analysis to foreign currency exposures

Interest rate and foreign currency risks are managed using a strategy of matching the duration and the currency of the foreign exchange accounts assets and the related foreign currency borrowings of the Government. At March 31, 2015, assets within the foreign exchange accounts and their related foreign currency borrowings substantially offset each other on a market value basis. Accordingly, the impact of price changes affecting these assets and the liabilities funding these assets naturally offset each other, resulting in no significant impact to the Government's net debt.

Assets related to the IMF are only partially matched by related foreign currency borrowings as they are denominated in SDRs, however, foreign-exchange risks relating to loans to the IMF have been managed through entering into various foreign-exchange forward agreements.

The majority of the government foreign currency assets and related liabilities are held in four currency portfolios: the US dollar, the Euro, the British pound sterling and the Japanese yen. At March 31, 2015, a one percent appreciation in the Canadian dollar as compared to the US dollar, the Euro, the British pound sterling and the Japanese yen would result in a foreign exchange loss of $9 million due to the exposure of the US dollar portfolio, a foreign exchange loss of $3 million due to the exposure of the Euro portfolio and a foreign exchange gain of $2 million due to the exposure of the British pound sterling. There is no significant exposure related to the Japanese yen portfolio.

The net foreign exchange gain included in net foreign exchange revenues, other program revenues and other program expenses on the Consolidated Statement of Operations and Accumulated Deficit amounts to $452 million (net foreign exchange gain of $448 million in 2014).

iii. Fair value information

(a) Liabilities and financial assets

The following table presents the carrying value and the fair value of liabilities and financial assets. Fair values are Government estimates and are generally calculated using market conditions at a specific point in time where a market exists. Fair values of liabilities and financial assets with a short term to maturity or of a non-negotiable nature are assumed to approximate their carrying values. Fair values may not reflect future market conditions nor the actual values obtainable should the instrument be exchanged on the market. The calculations are subjective in nature and involve inherent uncertainties due to the unpredictability of future events.

	(in millions of dollars)					
	2015			2014		
	Carrying value	Fair value	Fair value over (under) carrying value	Carrying value	Fair value	Fair value over (under) carrying value
Liabilities						
Accounts payable and accrued liabilities	123,631	123,631		111,730	111,730	
Unmatured debt	665,180	742,080	76,900	658,958	705,520	46,562
Public sector pensions	152,664	152,659	(5)	153,162	153,245	83
Other employee and veteran future benefits	76,140	106,258	30,118	71,959	82,163	10,204
Other liabilities	6,002	6,002		5,914	5,914	
Financial Assets						
Cash and accounts receivable	136,696	136,696		128,574	128,574	
Foreign exchange accounts	85,018	87,955	2,937	72,262	74,316	2,054
Loans, investments and advances excluding investments in enterprise Crown corporations	69,873	72,061	2,188	76,318	78,141	1,823
Public sector pension assets	1,263	2,849	1,586	938	1,801	863

Fair values are determined using the following methods and assumptions:

The carrying values of other accounts payable and accrued liabilities, amounts payable to taxpayers, interest and matured debt and cash and accounts receivable are assumed to approximate their fair values due to their short term to maturity and allowances to reduce carrying values.

For marketable bonds denominated in Canadian dollars and foreign currencies, treasury bills issued in Canadian dollars, Canada bills and medium-term notes issued in US dollars and Euros, fair values are established using market quotes or the discounted cash flow calculated using year end market interest and exchange rates. Fair values of other instruments comprising the unmatured debt are deemed to approximate their carrying values due to their short term to maturity or their non-negotiable nature.

The fair values of public sector pension and other employee and veteran future benefit liabilities, and public sector pension assets are assumed to approximate the actuarial value of the accrued benefit obligations net of the fair values of the pension assets, which are established at market value for investments and at discounted net present value for other assets, and the contributions and benefits paid by some of the consolidated Crown corporations and other entities after their measurement date of December 31 up to March 31.

Fair values of the securities and gold reserves held in the foreign exchange accounts are established using market quotes or other available market information. Financial claims and obligations with the International Monetary Fund denominated in foreign currencies are reported at Canadian dollar equivalents at March 31, which are assumed to approximate fair value.

Fair values of loans to enterprise Crown corporations are established using market quotes or the discounted cash flow calculated using year end market interest rates. For portfolio or temporary investments, fair values are established using stock market quotes or other available information.

Fair values of other loans, investments and advances are assumed to approximate carrying values since allowances are recorded when necessary to reduce their carrying value to amounts that approximate their estimated realizable value.

(b) Derivative financial instruments

The following table presents the fair value of derivative financial instruments with contractual or notional principal amounts outstanding at March 31:

	(in millions of dollars)			
	2015		2014	
	Principal amount	Fair value	Principal amount	Fair value
Cross currency swaps	63,091	(5,756)	54,114	(2,648)
Foreign-exchange forward agreements	1,572	128	2,650	(38)
Total	64,663	(5,628)	56,764	(2,686)

Fair values of the swap and foreign-exchange forward agreements are the estimated amount that the Government would receive or pay, based on market factors, if the agreements were terminated on March 31. They are established by discounting the expected cash flows of the swap and foreign-exchange forward agreements, calculated from the contractual or notional principal amounts, using year end market interest and exchange rates. A positive (negative) fair value indicates that the Government would receive (make) a payment if the agreements were terminated on March 31.

16. Contractual Obligations

The nature of government activities results in large multi-year contracts and agreements, including international treaties, protocols and agreements of various size and importance. Any financial obligations resulting from these are recorded as a liability when the terms of these contracts or agreements for the acquisition of goods and services or the provision of transfer payments are met. Major contractual obligations that will generate expenditures in future years and that can be reasonably estimated are summarized as follows:

	(in millions of dollars)				
Minimum payments to be made in:	Transfer payment agreements	Capital assets and purchases	Operating leases	International organizations	Total
2016	15,572	8,989	390	1,709	26,660
2017	8,407	6,612	358	1,441	16,818
2018	5,739	6,304	327	392	12,762
2019	4,370	7,736	292	243	12,641
2020	2,216	8,412	246	121	10,995
2021 and subsequent	2,358	18,957	1,411	1,178	23,904
Total	38,662	57,010	3,024	5,084	103,780

i. Transfer payment agreements

Transfer payments are one of the government's key instruments to provide various services to Canadians and to contribute to building a strong society and a competitive nation. They represent a large part of the Government of Canada's spending.

ii. Capital assets and purchases

Capital assets are tangible and durable items of value, including major additions or alterations thereto, from which benefits are expected to be derived during their useful life. Purchases are supported by contracts to supply goods or services.

iii. Operating leases

An operating lease is a lease in which the lessor does not substantially transfer all the benefits and risks incident to ownership of property to the lessee. The Government rents premises and equipment under operating leases which expire at various dates.

iv. International organizations

International contractual obligations include transfer payments, loans and advances to international organizations as well as loans for the development of export trade (administered by Export Development Canada), which Canada has agreed to disburse in the future. Future paid-in share capital commitments made by Canada for future purchases of non-budgetary share capital in international organizations are also included.

17. Environmental Liabilities

i. Remediation of contaminated sites

The Government has developed a "Federal Approach to Contaminated Sites" which incorporates a risk-based approach to the management of contaminated sites. Under this approach the Government has inventoried the contaminated sites on federal lands that have been identified, allowing them to be classified, managed and recorded in a consistent manner. This systematic approach aids in the identification of the high risk sites in order to allocate limited resources to those sites which pose the highest risk to the environment and human health.

The Government has identified approximately 9,800 sites (11,600 sites in 2014) where contamination may exist and assessment, remediation and monitoring may be required. Of these, the Government has identified approximately 2,400 sites (2,500 sites in 2014), where action is possible and for which a gross liability of $5,810 million has been recorded. A recovery of $17 million has also been recorded resulting in a net liability of $5,793 million ($4,796 million in 2014). This liability represents the Government's best estimate of the costs required to remediate sites to the current minimum standard for its use prior to contamination, based on information available at the financial statement date. A net present value technique has been used for sites where the cash flows are expected to occur over extended future periods.

The following table presents the total estimated amounts of these liabilities by nature and source, the associated expected recoveries and the total undiscounted future expenditures as at March 31, 2015 and March 31, 2014. When the liability estimate is based on a future cash requirement, the Government of Canada lending rate applicable to loans with similar terms to maturity has been used to discount the estimated future expenditures. March 2015 rates range from 0.61 percent for 2 year term to 2.12 percent for a 25 or greater year term.

(in millions of dollars)

	2015				2014			
Nature and Source	Number of Sites	Estimated Liability	Estimated Total Undiscounted Expenditures	Estimated Recoveries	Number of Sites	Estimated Liability	Estimated Total Undiscounted Expenditures	Estimated Recoveries
Former mineral exploration sites (1)	131	3,083	5,048	17	210	2,205	3,763	
Radioactive material (2)	5	1,016	1,049		5	991	1,061	
Military and former military sites (3)	177	559	581		140	552	600	
Fuel related practices (4)	645	358	366		668	341	351	
Marine facilities/aquatic sites (5)	819	278	291		788	271	299	
Landfill/waste sites (6)	375	211	220		389	202	174	
Other (7)	261	305	309		272	234	214	
Total	2,413	5,810	7,864	17	2,472	4,796	6,462	

(1) Contamination associated with former mine activities, e.g. heavy metals, petroleum hydrocarbons, etc. Sites often have multiple sources of contamination.

(2) Contamination associated with former nuclear operations, e.g. low-level radioactive waste, radioactive isotopes.

(3) Contamination associated with the operations of military and former military sites where activities such as fuel handling and storage activities, waste sites, metals/PCB-based paint used on buildings resulted in former or accidental contamination, e.g. petroleum hydrocarbons, PCBs, heavy metals. Sites often have multiple sources of contamination.

(4) Contamination primarily associated with fuel storage and handling, e.g., accidental spills related to fuel storage tanks or former fuel handling practices, e.g. petroleum hydrocarbons, polyaromatic hydrocarbons and BTEX (benzene, toluene, ethylbenzene and xylenes).

(5) Contamination associated with the operations of marine assets, e.g., port facilities, harbours, navigation systems, light stations, hydrometric stations, where activities such as fuel storage/handling, use of metal based paint on light stations resulted in former or accidental contamination, e.g. metals, petroleum hydrocarbons, polyaromatic hydrocarbons and other organic contaminants. Sites often have multiple sources of contamination.

(6) Contamination associated with former landfill/waste site or leaching from materials deposited in the landfill/waste site, e.g. metals, petroleum hydrocarbons, BTEX, other organic contaminants, etc.

(7) Contamination from other sources, e.g. use of pesticides, herbicides, fertilizers at agricultural sites; use of PCBs, firefighting training areas, firing ranges and training facilities, the operations of assets such as airports, railways and roads where activities such as, fuel storage/handling, waste sites, and chemical storage areas resulted in former or accidental contamination, e.g. metals, petroleum hydrocarbons, polyaromatic hydrocarbons, BTEX and other organic contaminants.

Of the remaining 7,400 sites, 1,200 sites were closed as they were either remediated or assessed and no longer meet all the criteria required to record a liability for contaminated sites and there are 6,200 sites for which an estimated liability has not been determined primarily due to the fact the sites are not yet fully assessed and contamination has not yet been determined or it has not yet been determined if the site requires remediation or if a risk management plan will suffice. As the sites are assessed, if contamination is found, and it exceeds the environmental standard and if remediation is required, a liability will be recognized as soon as a reasonable estimate can be made.

Of the 6,200 sites that do not have liabilities, 200 are considered high priority for action because they present a higher risk to human health and the environment. These sites are at various stages of testing and evaluation in order to develop a remediation or risk management strategy. If remediation is required liabilities will be reported as soon as a reasonable estimate can be determined. If risk management is the preferred option the site will be monitored to determine if remediation is required or if the contamination can be reduced or eliminated through natural attenuation. Monitoring costs prior to determining if remediation is required are not included in a liability. These costs are considered operating costs of the current period. 1,800 sites are considered a medium to low priority based on the low level of risk to human health or the environment. Assessment and remediation or risk management will be done on these sites as resources become available. 3,600 sites are not yet classified because they are only at the initial testing stages and contamination has not yet been determined. 500 sites are not considered a priority for action because information indicates there is likely no significant environmental impact or human health threats and there is likely no need for action unless new information becomes available indicating greater concerns, in which case, the site will be re-examined. 100 sites currently have insufficient information in order to classify. Additional information is required to classify the site but is not available at this time. As additional information becomes available the sites will be re-examined.

ii. Asset retirement obligations

The asset retirement obligation is $6,502 million ($6,345 million in 2014) of which Atomic Energy of Canada Ltd. has recorded $6,487 million ($6,327 million in 2014) for nuclear facility decommissioning. These costs are normally capitalized and amortized over the asset's estimated useful life based on the Government's best estimates of the cost to retire the tangible asset. The liability reflects the present value of estimated future cash flows required to restore the assets where amounts can be reasonably estimated and is expected to be settled as the related sites, facilities or assets are removed from service.

iii. Other environmental liabilities

A liability for unexploded explosive ordnance (UXO) affected legacy sites is recognized when there is an appropriate basis for measurement and a reasonable estimate can be made. These liabilities are present obligations arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

The Government has identified approximately 918 UXO (865 in 2014) suspected sites for which clearance action may be necessary. Of these sites, 57 (63 in 2014) are confirmed UXO affected sites. Based on the Government's best estimates, a liability of $1.3 million ($2 million in 2014) has been recorded for clearance action on 5 (6 in 2014) of the confirmed UXO sites. The remaining 861 suspect sites are currently in the assessment stage and a reasonable estimate cannot yet be determined. Of these sites, the obligation for clearance action is likely for 68 sites, indeterminable for 774 sites and unlikely for 19 sites

The Government's ongoing efforts to assess contaminated sites, asset retirement obligations and UXO affected sites may result in additional environmental liabilities. Any additional liabilities will be accrued in the year in which they become known and can be reasonably estimated.

18. Contingent Liabilities

Contingent liabilities arise in the normal course of operations and their ultimate disposition is unknown. They are grouped into contingent liabilities related to: guarantees provided by the Government, international organizations, claims and pending and threatened litigation, and insurance programs of agent enterprise Crown corporations.

i. Guarantees provided by the Government

At March 31, 2015, the principal amount outstanding for guarantees provided by the Government amount to $442,904 million ($407,039 million in 2014) for which an allowance of $317 million ($386 million in 2014) has been recorded. The authorized limit, where applicable, is established at $356,950 million ($355,006 million in 2014) for an amount of $188,901 million ($160,435 million in 2014) of guarantees provided by the Government. The amount of guarantees with no authorized limit is established at $254,003 million ($246,604 million in 2014). Guarantees provided by the Government include guarantees on the borrowings of enterprise Crown corporations and other government business enterprises, loan guarantees, insurance programs managed by the Government, and other explicit guarantees. Of the total amount guaranteed, $253,049 million ($245,223 million in 2014) relates to guarantees on the borrowings of agent enterprise Crown corporations for which no authorized limit has been set and no allowance (nil in 2014) has been recorded.

ii. International organizations

The Government has callable share capital in certain international organizations that could require payments to those agencies. As at March 31, 2015, callable share capital amounts to $30,601 million ($28,217 million in 2014).

iii. Claims and pending and threatened litigation

There are thousands of claims and pending and threatened litigation cases outstanding against the Government. These claims include items with pleading amounts and items where an amount is not specified. While the total amount claimed in these actions is significant, their outcomes are not determinable. The Government has recorded an allowance for claims and litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. Claims and litigation for which the outcome is not determinable and for which an amount has not been accrued, are estimated at approximately $8,304 million ($7,300 million in 2014) which is based on management's best estimate determined on a case by case basis. Certain large and significant claims are described below:

Comprehensive land claims: Comprehensive land claims arise in areas of the country where Aboriginal rights and title have not been resolved by treaty or by other legal means. There are currently 80 (81 in 2014) comprehensive land claims under negotiation, accepted for negotiation or under review. A liability of $4,840 million ($3,912 million in 2014) is estimated for claims that have progressed to a point where quantification is possible. This estimate includes projections based on historical rates and costs of settlement for similar claims.

Specific claims: Specific claims deal with the past grievances of First Nations related to Canada's obligations under historic treaties or the way it managed First Nations' funds or other assets. The Government of Canada will pursue a settlement agreement with the First Nation when a claim demonstrates an outstanding lawful obligation. There are currently 456 (447 in 2014) specific claims under negotiation, accepted for negotiation or under review. A liability of $3,458 million ($3,265 million in 2014) is estimated for claims that have progressed to a point where quantification is possible. This estimate includes projections based on historical rates and costs of settlement for similar claims.

Assessed taxes under objection or appeal: Contingent liabilities include previously assessed taxes where amounts are under objection or are being appealed to the Tax Court of Canada, the Federal Court of Canada, or the Supreme Court of Canada. As of March 31, 2015, $22,987 million ($22,230 million for 2014) was under objection at the Government level and $5,450 million ($4,715 million for 2014) was being appealed to the courts. The Government has recorded, in the amounts payable to taxpayers or in reduction of the amounts receivable from taxpayers, as applicable, the estimated amount of objections or appeals that are considered likely to be lost and that can be reasonably estimated.

iv. Insurance programs of agent enterprise Crown corporations

Four agent enterprise Crown corporations operate insurance programs for the Government. In the event that the corporations have insufficient funds, the Government will have to provide financing. The Canada Deposit Insurance Corporation operates the Deposit Insurance Fund which provides basic protection coverage to depositors for up to $100,000 deposited with each member bank, trust or loan company; the Canada Mortgage and Housing Corporation operates the Mortgage Insurance Fund which provides insurance for mortgage lending on Canadian housing by private institutions and the Mortgage-Backed Securities Guarantee Fund which guarantees the timely payment of the principal and interest for investors of securities based on the *National Housing Act* through the Mortgage-Backed Securities program and the bonds issued by the Canada Housing Trust through the Canada Mortgage Bond program; Export Development Canada provides export and foreign investment insurance to help with export trade; and Farm Credit Canada sells group creditor life and accident insurance to its customers through a program administered by a major insurance provider. At March 31, 2015, total insurance in force amounts to $1,671,666 million ($1,648,444 million in 2014). The Government expects that all four corporations will cover the cost of both current claims and possible future claims.

Further details on contingent liabilities can be found in Section 11 (unaudited) of this volume.

19. Segmented Information

The Government segmented information is based on the ministry structure, which groups the activities of departments and agencies for which a Minister is responsible, and the Crown corporations and other entities as described in Note 12. The five main ministries are reported separately and the others are grouped together with the provision for valuation and other items. The presentation by segment is based on the same accounting policies as those described in the Summary of significant accounting policies in Note 1. Inter-segment transfers are measured at the exchange amount. The following tables present the segmented information by Ministry and Crown corporations and other entities before the elimination of internal transactions that are eliminated in the Adjustments column before arriving at the total for the year ended March 31:

(in millions of dollars)

	2015								
	Canada Revenue Agency	Employment and Social Development	Finance	National Defence	Public Safety and Emergency Preparedness	Other ministries	Crown corporations and other entities	Adjustments [1]	Total
Revenues									
Tax Revenues —									
Income tax revenues	181,406								181,406
Other taxes and duties	18,137				29,045				47,182
Total Tax Revenues	***199,543***				***29,045***				***228,588***
Employment Insurance Premiums		***22,962***						***(398)***	***22,564***
Other Revenues —									
Crown corporations							17,730	(4,250)	13,480
Other programs	5,061	2,636	885	630	2,244	11,578	519	(7,194)	16,359
Net foreign exchange			1,355						1,355
Total Other Revenues	***5,061***	***2,636***	***2,240***	***630***	***2,244***	***11,578***	***18,249***	***(11,444)***	***31,194***
Total Revenues	***204,604***	***25,598***	***2,240***	***630***	***31,289***	***11,578***	***18,249***	***(11,842)***	***282,346***
Expenses									
Transfer Payments —									
Old age security benefits, guaranteed income supplement and spouse's allowance		44,103							44,103
Major transfer payments to other levels of government			61,136			1,973			63,109
Employment insurance benefits		18,052							18,052
Children's benefits	10,372	3,931							14,303
Other transfer payments	3,350	6,311	920	136	204	23,886	487	(168)	35,126
Total Transfer Payments	***13,722***	***72,397***	***62,056***	***136***	***204***	***25,859***	***487***	***(168)***	***174,693***
Other Program Expenses —									
Crown corporations							7,951	(361)	7,590
Ministries	8,372	4,317	726	23,837	10,077	35,253	284	(11,308)	71,558
Total Other Program Expenses	***8,372***	***4,317***	***726***	***23,837***	***10,077***	***35,253***	***8,235***	***(11,669)***	***79,148***
Total Program Expenses	***22,094***	***76,714***	***62,782***	***23,973***	***10,281***	***61,112***	***8,722***	***(11,837)***	***253,841***
Public Debt Charges			***26,330***	***68***	***1***	***200***		***(5)***	***26,594***
Total Expenses	***22,094***	***76,714***	***89,112***	***24,041***	***10,282***	***61,312***	***8,722***	***(11,842)***	***280,435***

Details providing total expenses by segment and type can be found in Section 3 (unaudited) of this volume.

[1] Represents consolidation adjustments to eliminate internal transactions.

(in millions of dollars)

	2014								
	Canada Revenue Agency	Employment and Social Development	Finance	National Defence	Public Safety and Emergency Preparedness	Other ministries	Crown corporations and other entities	Adjustments [1]	Total
Revenues									
Tax Revenues —									
Income tax revenues	173,802								173,802
Other taxes and duties	19,233				26,903				46,136
Total Tax Revenues	***193,035***				***26,903***				***219,938***
Employment Insurance Premiums		***22,160***						***(394)***	***21,766***
Other Revenues —									
Crown corporations							15,843	(4,388)	11,455
Other programs	5,830	2,601	795	528	2,202	11,642	415	(7,177)	16,836
Net foreign exchange			1,682						1,682
Total Other Revenues	***5,830***	***2,601***	***2,477***	***528***	***2,202***	***11,642***	***16,258***	***(11,565)***	***29,973***
Total Revenues	***198,865***	***24,761***	***2,477***	***528***	***29,105***	***11,642***	***16,258***	***(11,959)***	***271,677***
Expenses									
Transfer Payments —									
Old age security benefits, guaranteed income supplement and spouse's allowance		41,786							41,786
Major transfer payments to other levels of government			58,369			2,106			60,475
Employment insurance benefits		17,300							17,300
Children's benefits	10,402	2,734							13,136
Other transfer payments	3,361	6,322	1,100	159	2,097	23,228	516	(85)	36,698
Total Transfer Payments	***13,763***	***68,142***	***59,469***	***159***	***2,097***	***25,334***	***516***	***(85)***	***169,395***
Other Program Expenses —									
Crown corporations							7,885	(401)	7,484
Ministries	8,109	4,745	807	22,019	10,008	37,235	271	(11,466)	71,728
Total Other Program Expenses	***8,109***	***4,745***	***807***	***22,019***	***10,008***	***37,235***	***8,156***	***(11,867)***	***79,212***
Total Program Expenses	***21,872***	***72,887***	***60,276***	***22,178***	***12,105***	***62,569***	***8,672***	***(11,952)***	***248,607***
Public Debt Charges			***27,999***	***26***	***1***	***201***		***(7)***	***28,220***
Total Expenses	***21,872***	***72,887***	***88,275***	***22,204***	***12,106***	***62,770***	***8,672***	***(11,959)***	***276,827***

Details providing total expenses by segment and type can be found in Section 3 (unaudited) of this volume.
Certain comparative figures have been reclassified to conform to the current Government structure.
(1) Represents consolidation adjustments to eliminate internal transactions.

20. Subsequent Events

i. Divestiture of remaining interests in General Motors

Subsequent to the end of the fiscal year, through an enterprise Crown corporation, the Government sold its remaining 73 million common shares in General Motors Company through an unregistered block trade. The shares were sold on April 6, 2015 for proceeds of $3,254 million, resulting in a realized gain of $2,131 million recorded in other revenues that will be reflected on the Consolidated Statement of Operations and Accumulated Deficit for fiscal year 2015-2016.

Observations of the Auditor General of Canada on the Consolidated Financial Statements of the Government of Canada For the Year Ended 31 March 2015

Our opinion provides assurance that the Government of Canada is properly reporting its overall financial performance to Parliament and to Canadians. Reporting the Government's financial results requires significant effort by public servants. Staff in individual departments and central agencies work together to prepare the Government's consolidated financial statements. For the 17th consecutive year, we have expressed an unmodified audit opinion on the consolidated financial statements, and we thank those involved for their assistance and for the cooperation extended to my Office during the audit.

The purpose of these observations is to comment on matters that we would like to bring to Parliament's attention.

National Defence — Inventory

Since the Government of Canada first recorded inventory in its consolidated financial statements 12 years ago, we have been reporting National Defence's challenges in properly recording and valuing its inventory. National Defence's inventory is financially significant to the *Public Accounts of Canada* as it accounts for $6.3 billion of the Government's total inventory of $7.2 billion.

In the past, we outlined specific compensating controls that the Department could establish until the various initiatives aimed at resolving their challenges with accurately recording and valuing inventory are fully implemented. Some of these recommended compensating controls include:

- performing more inventory counts at year end;
- determining the root causes of pricing issues, and extending the investigation across all other similar accounts; and
- using allowances to reflect the impact of damaged and obsolete inventory in a timely manner.

The Department recognizes that it needs to improve its accounting for inventory. We noted an increased awareness and coordination across National Defence at the senior management levels as various initiatives moved forward. Furthermore, the Department performed additional counts of high value inventory items to supplement its national stocktaking initiative. Through this initiative, the Department performed test counts of inventory items several times during the year.

Despite these improvements, we continue to estimate inventory errors related to obsolescence and to inaccurate recording of prices resulting in overstatements of inventory in the hundreds of millions of dollars.

Continued focus is required by National Defence to follow through with the completion of these initiatives and fully implement effective controls around inventory records. While the Department is making progress with its initiatives primarily aimed at addressing quantity issues, we recommend that more attention be placed on addressing pricing and obsolescence issues.

Liability of contaminated sites

This year, a new Public Sector Accounting Standard 3260 (PSAS 3260) *Liability for Contaminated Sites* came into effect. This new standard establishes recognition and measurement criteria for environmental liabilities, and requires extensive financial statement note disclosures. Contaminated sites are found throughout Canada, in urban and rural settings as well as in remote areas. They range in size from small contained areas of contamination to very large abandoned mines and nuclear facilities.

While contaminated sites can pose a hazard to human health or the environment, the Government has taken steps to mitigate these risks. The Government has:

- established policies related to contaminated sites;
- developed a risk-based approach to identify, take inventory of, and prioritize contaminated and suspected contaminated federal sites;
- catalogued these sites in the Federal Contaminated Sites Inventory (FCSI) database;
- created the Federal Contaminated Sites Action Plan (FCSAP) program; and
- since 2005, spent approximately $2.8 billion to assess, maintain, remediate and monitor its highest-risk contaminated sites.

Contaminated sites have significant financial implications for the federal government. As at 31 March 2015, the Government had a financial liability of about $5.8 billion for the estimated future remediation costs of high- and medium-risk sites. Of this amount, $3.5 billion is attributable to the four largest high-risk sites. Note 17 – *Environmental Liabilities* of the Government of Canada's Consolidated Financial Statements provides additional details about the 2,400 sites where a liability has been estimated, and the 6,200 sites where the extent of contamination or the related financial implications are not yet fully assessed.

We noted opportunities for the federal entities involved in managing contaminated sites to improve documentation of key judgments and accounting decisions taken on those sites where contamination exceeds a standard but a liability has not been recorded.

We recommend that the Government develop better processes to refine the accounting estimates and record the liabilities associated with contaminated sites at earlier stages of investigation. The liability should be updated each year as sites are remediated, as changes in environmental standards emerge, as more environmental assessments are completed, and as estimation techniques used by the Government are improved.

Section 3

2014-2015

Public Accounts of Canada

Revenues, Expenses and Accumulated Deficit

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Revenues, Expenses and Accumulated Deficit

This section provides information on the revenues, expenses and accumulated deficit of the Government as summarized in Table 3.1.

A narrative description is provided for certain accounts reported in some tables. Such descriptions follow the same presentation order as their respective tables.

Table 3.1
Revenues, Expenses and Accumulated Deficit

(in millions of dollars)

	2014-2015	2013-2014
Revenues —		
Tax revenues, Table 3.2	228,588	219,938
Employment insurance premiums	22,564	21,766
Other revenues, Table 3.4	31,194	29,973
Total revenues	**282,346**	**271,677**
Expenses —		
Transfer payments	174,693	169,395
Other program expenses	79,148	79,212
Total Program Expenses	***253,841***	***248,607***
Public debt charges, Table 3.8	26,594	28,220
Total Expenses, Table 3.6	**280,435**	**276,827**
Annual (Surplus) or Deficit	**(1,911)**	**5,150**
Accumulated Deficit at Beginning of Year	**611,881**	**609,391**
Other Comprehensive Loss or (Income)	**2,360**	**(2,660)**
Accumulated Deficit at End of Year	**612,330**	**611,881**

Revenues

Revenues consist of all tax and other amounts which enter into the calculation of the annual surplus or deficit of the Government.

Accounting for Revenues

The Government reports all revenues on an accrual basis.

Tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation or the ability to assess and collect the tax has been provided through legislative convention. They are reported net of refunds and are exclusive of amounts collected on behalf of provinces and territories.

Revenues for the fiscal year ended March 31 are based on amounts assessed/reassessed at the time of preparation of the consolidated financial statements and estimates of income tax earned in the fiscal period but not yet assessed/reassessed. These estimates are based on amounts received at the time of preparation of the consolidated financial statements that relate to the fiscal year ended March 31 that have not been assessed or that are awaiting reassessment. Actual results may differ significantly from these estimates. Differences between estimates and actuals are recorded in the fiscal year in which the actual assessment/reassessment is completed. Revenues do not include estimates for amounts of unreported taxes or the impact of future reassessments that cannot be reasonably determined.

Tax expenditures that reduce taxes paid or payable are considered tax concessions and are netted against applicable tax revenue. As foregone revenue, tax concessions do not give rise to assets or expenses of the taxing government. Tax expenditures that provide a financial benefit through the tax system and are not related to the relief of taxes paid or payable are shown as other transfer payment expenses and are not netted against tax revenue.

Income tax revenue is recognized when the taxpayer has earned the income subject to tax. Revenue is determined net of tax concessions allowed under the *Income Tax Act* and in accordance with the Public Sector Accounting Standard for Tax Revenue.

Domestic goods and services tax revenue is recognized at the time of the sale of goods or the provision of services. These revenues are reported net of input tax credits, GST rebates, and the GST quarterly tax credits. The GST quarterly tax credit for low-income individuals and families is recorded in the period to which it relates. It is intended to offset the cost of the tax for low-income individuals and families. Customs duties and goods and services tax revenue on imports is recognized when goods are authorized to enter Canada. Excise tax revenue is recognized when a taxpayer sells goods taxable under the *Excise Tax Act*. Excise duties revenue is recognized when the taxpayer manufactures goods taxable under the *Excise Act* and the *Excise Act, 2001*.

Employment insurance premiums are recognized as revenue in the same period as the insurable earnings are earned. Other revenues are recognized in the period to which they relate.

Tax Revenues

Tax revenues include personal, corporate and non-resident income tax revenues, and other taxes and duties as summarized in Table 3.2.

Table 3.2

Tax Revenues

(in millions of dollars)

	2014-2015	2013-2014
Tax revenues —		
Income tax revenues		
Personal	135,743	130,811
Corporate	39,447	36,587
Non-resident	6,216	6,404
Total income tax revenues	***181,406***	***173,802***
Other taxes and duties		
Goods and services tax, Table 3.3	31,349	30,998
Energy taxes		
Excise tax — Gasoline	4,318	4,290
Excise tax — Aviation gasoline and diesel fuel	1,210	1,196
Total energy taxes	*5,528*	*5,486*
Customs import duties	4,581	4,239
Other excise taxes and duties		
Excise duties	4,813	4,479
Air travellers security charge	696	662
Softwood lumber products export charge	(5)	53
Other miscellaneous excise taxes and duties	220	219
Total other excise taxes and duties	*5,724*	*5,413*
Total other taxes and duties	***47,182***	***46,136***
Total tax revenues (1)	228,588	219,938

(1) Additional details are provided in Table 4a in Section 1 of Volume II of the *Public Accounts of Canada*.

Personal income tax

Personal income tax is levied on personal income under the provisions of the *Income Tax Act*.

Corporate income tax

Corporate income tax is levied on corporate income under the provisions of the *Income Tax Act*.

Non-resident income tax

Non-resident income tax is levied on income earned in Canada by non-residents under the provisions of the *Income Tax Act*. This tax is derived from tax withheld from dividends, interest, rents, royalties, alimony, and income from estates and trusts paid to non-residents.

Non-resident income tax revenues also include withholding taxes on income earned in Canada by non-resident life insurance companies and income from trusts.

Other taxes and duties

Other taxes and duties are collected under the *Excise Act*, the *Excise Act, 2001*, the *Excise Tax Act*, *Customs Tariff* (Act) and other acts. They include the goods and services tax, energy taxes, customs import duties, as well as other excise taxes and duties.

Goods and Services Tax

The goods and services tax (GST) became effective January 1, 1991. It is applied at a rate of 5 percent on most goods and services consumed in Canada, with only a limited set of exclusions that consists of certain medical devices, prescription drugs, basic groceries, residential rents as well as most health and dental care services. A comparative analysis of the GST is presented in Table 3.3.

Table 3.3

Goods and Services Tax (GST) (1)

(in millions of dollars)

	2014-2015	2013-2014
GST	37,439	36,903
Less: remission order for the GST paid and accrued by ministries on or for goods and services purchased from outside parties	1,896	1,795
Gross GST from outside parties	35,543	35,108
Less: quarterly tax credits	4,194	4,110
Net GST from outside parties	31,349	30,998

(1) Reported in the Consolidated Statement of Operations and Accumulated Deficit (Section 2 of this volume).

Energy taxes

Energy taxes primarily include the excise tax on gasoline, aviation gas and diesel fuel.

Customs import duties

Revenues from customs import duties consist mainly of ad valorem taxes on the importation of goods levied under the *Customs Tariff* (Act).

Other excise taxes and duties

Excise taxes and duties are levied on alcoholic beverages and tobacco products. In addition, excise taxes are imposed on other items such as passenger vehicle air conditioners. The Air Travelers Security Charge is collected by air carriers at the time of payment for the air travel by the purchaser of an air transportation service.

The softwood lumber products export charge is assessed on exports of softwood lumber products to the United States after September 30, 2006. The charge on refunds of softwood lumber duty deposits is assessed on amounts refunded to Canadian companies related to an American duty order on the importation of softwood lumber products into the United States between May 22, 2002 and September 30, 2006.

Employment Insurance Premiums

Premiums from employees and employers are levied under the provisions of the *Employment Insurance Act* and are classified as part of revenues. Additional details on employment insurance premiums are provided in Section 4 of this volume.

Other Revenues

Other revenues include revenues from Crown corporations, other program revenues and net foreign exchange revenues.

Table 3.4
Other Revenues

(in millions of dollars)

	2014-2015	2013-2014
Other revenues —		
Crown corporations —		
Consolidated Crown corporations	4,174	3,489
Enterprise Crown corporations and other government business enterprises —		
Share of annual profit	8,365	5,946
Interest and other	941	2,020
Total Crown corporations	*13,480*	*11,455*
Other programs —		
Return on investments, Table 3.5	1,927	1,604
Sales of goods and services —		
Rights and privileges	2,873	2,442
Lease and use of public property	634	615
Services of a regulatory nature	1,360	1,327
Services of a non-regulatory nature	3,290	3,223
Sales of goods and information products	225	210
Other fees and charges	568	502
Total sales of goods and services	*8,950*	*8,319*
Miscellaneous —		
Interest and penalties	4,538	5,290
Other	944	1,623
Total other programs	*16,359*	*16,836*
Net foreign exchange —		
Exchange Fund Account	840	1,505
International Monetary Fund	495	176
Other	20	1
Total	*1,355*	*1,682*
Total other revenues (1)	31,194	29,973

(1) Additional details are provided in Table 4a in Section 1 of Volume II of the *Public Accounts of Canada*.

Crown corporations

Crown corporation revenues include revenues earned from third parties by Consolidated Crown corporations, interest earned on loans to enterprise Crown corporations and other government business enterprises as well as the government's share of the accumulated profits or losses of enterprise Crown corporations and other government business enterprises.

Other programs

Other program revenues include sales of goods and services, return on investments, and miscellaneous revenues. Details are reported by individual ministry in Volume II of the *Public Accounts of Canada*.

Net foreign exchange

Net foreign exchange revenues include the revenues from investments held in the Exchange Fund Account and the International Monetary Fund, as well as the net gains or losses resulting from the translation of these investments to Canadian dollars at March 31. Net foreign exchange revenues also include the net gains or losses resulting from foreign debt and currency swap revaluations.

Return on investments

Return on investments consists mainly of interest from loans and advances, dividends from investments, and transfer of profits and surpluses for loans, investments and advances other than those in enterprises Crown corporations and government business enterprises. A comparative analysis of return on investments is presented in Table 3.5.

Table 3.5

Return on Investments (1)

(in millions of dollars)

	2014-2015	2013-2014
Cash and accounts receivable		
Interest on bank deposits	313	331
Loans, investments and advances		
Portfolio investments	1	1
National governments including developing countries	6	4
International organizations	2	1
Provincial and territorial governments	(2)	(2)
Other loans, investments and advances	961	840
Total loans, investments and advances	970	846
Other accounts —		
Esso Ltd — Norman Wells Project — Profits	75	83
Other	(2)	1
Total other accounts	75	84
Total ministerial return on investments	1,358	1,261
Net gain on exchange	572	347
Accrual of other revenues	23	23
Total return on investments	1,953	1,631
Elimination of return on investments internal to the Government	(26)	(27)
Total external return on investments	1,927	1,604

(1) Additional details are provided in Table 4a in Section 1 of Volume II and in Section 10 of Volume III of the *Public Accounts of Canada*.

(2) Less than $500,000.

Expenses

Expenses consist of all charges which enter into the calculation of the annual deficit or surplus of the Government.

Accounting for Expenses

The Government reports all expenses on an accrual basis.

Expenses for Government operations are recorded when goods are received or services are rendered. Transfer payments are recorded as expenses when the recipients have met all the eligibility criteria and the transfers are authorized by the consolidated financial statements date. In the case of transfers that do not form part of an existing program, they are considered to be authorized when the Government announces a decision to make a non recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the consolidated financial statements. Public debt charges are recorded when incurred and include interest, servicing costs, costs of issuing new borrowings, amortization of premiums and discounts on market debt, as well as interest on public sector pensions and other employee and veteran future benefits.

Table 3.6
External Expenses by Segment and by Type

(in millions of dollars)

	Major transfer payments [1]		Other transfer payments	
	2014-2015	2013-2014	2014-2015	2013-2014
Ministries				
Agriculture and Agri-Food			1,290	1,536
Atlantic Canada Opportunities Agency			155	180
Canada Revenue Agency	10,372	10,402	3,350	3,362
Canadian Heritage			1,267	1,130
Canadian Northern Economic Development Agency			34	36
Citizenship and Immigration			984	953
Economic Development Agency of Canada for the Regions of Quebec			105	137
Employment and Social Development	66,086	61,820	6,311	6,322
Environment			116	94
Finance	61,136	58,369	920	1,100
Fisheries and Oceans			90	85
Foreign Affairs, Trade and Development			4,039	3,913
Health			2,932	2,818
Indian Affairs and Northern Development			7,576	6,152
Industry			2,244	2,605
Justice			345	339
National Defence			136	159
Natural Resources			1,184	1,176
Office of Infrastructure of Canada	1,973	2,106	983	1,355
Office of the Governor General's Secretary				
Parliament			1	1
Privy Council Office			9	16
Public Safety and Emergency Preparedness			204	2,097
Public Works and Government Services				
Transport			593	464
Treasury Board				
Veterans Affairs			18	15
Western Economic Diversification			106	137
Provision for valuation and other items			(353)	
Total ministries	139,567	132,697	34,639	36,182
Crown corporations and other entities			487	516
Total expenses [2]	139,567	132,697	35,126	36,698

Certain comparative figures have been reclassified to conform to the current year's presentation.

[1] Includes transfer payments of $44,103 million ($41,786 million in 2014) for the Old Age security benefits, the guaranteed income supplement and the spouse's allowance; $63,109 million ($60,475 million in 2014) to other levels of government; $18,052 million ($17,300 million in 2014) for the Employment insurance benefits and $14,303 million ($13,136 million in 2014) for the Children's benefits. Additional information is provided in Table 3.7 of this section.

[2] Additional information is provided in Table 2a in Section 1 of Volume II of the *Public Accounts of Canada*.

Expenses include provisions to reflect changes in the value of assets or liabilities, including provisions for bad debts, for loans, investments and advances, as well as for inventory obsolescence. Expenses also include amortization of tangible capital assets, utilization of inventories, as well as prepaid expenses and other.

Organizations within the Government's accounting entity transact with each other on a day-to-day basis and thus contribute to the amounts of revenues and expenses recorded in the accounts. In preparing the consolidated financial statements, these "internal transactions" are eliminated so as to report on the basis of transactions with outside parties only.

Table 3.6 presents external expenses by segment and by type.

Total transfer payments		Other program expenses		Public debt charges [3]		Total expenses	
2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
1,290	1,536	791	896			2,081	2,432
155	180	82	73			237	253
13,722	13,764	8,108	7,841			21,830	21,605
1,267	1,130	527	506			1,794	1,636
34	36	15	13			49	49
984	953	1,061	1,009			2,045	1,962
105	137	74	60			179	197
72,397	68,142	2,646	3,110			75,043	71,252
116	94	1,541	1,549	1	1	1,658	1,644
62,056	59,469	511	530	26,325	27,991	88,892	87,990
90	85	1,581	1,670			1,671	1,755
4,039	3,913	2,087	2,034			6,126	5,947
2,932	2,818	3,313	3,376			6,245	6,194
7,576	6,152	1,204	642			8,780	6,794
2,244	2,605	2,151	2,054			4,395	4,659
345	339	1,280	1,253			1,625	1,592
136	159	23,669	21,511	68	26	23,873	21,696
1,184	1,176	1,067	1,010	2	3	2,253	2,189
2,956	3,461	64	50			3,020	3,511
		20	20			20	20
1	1	542	534			543	535
9	16	313	277			322	293
204	2,097	9,831	9,773	1	1	10,036	11,871
		4,267	4,181	156	156	4,423	4,337
593	464	919	844	41	42	1,553	1,350
		3,277	2,947			3,277	2,947
18	15	1,000	882			1,018	897
106	137	41	45			147	182
(353)		(604)	2,875			(957)	2,875
174,206	168,879	71,378	71,565	26,594	28,220	272,178	268,664
487	516	7,770	7,647			8,257	8,163
174,693	169,395	79,148	79,212	26,594	28,220	280,435	276,827

[3] Additional information is provided in Table 3.8 of this volume.

Expenses by Segment

The Government's segmented information, which is based on the ministerial portfolio structure, groups together departments and agencies' activities for which a Minister is responsible as well as those of the Crown corporations and other entities as described in Note 12 to the consolidated financial statements in Section 2 of this volume.

Government's Cost of Operations

Government's cost of operations consists of three major types: transfer payments, other program expenses and public debt charges.

Transfer payments

The major transfer payments include payments to persons and payments to provinces and territories.

Payments to persons include payments for income support or income supplement. Assistance is based on age, family status, income, and employment criteria.

Payments to provinces and territories are made under the following programs:

- The fiscal arrangements are unconditional fiscal transfer payments to lower income provinces including subsidies under the Constitution Acts; and
- The Canada health transfer and the Canada social transfer are the major means for providing the federal share of social programs administered by the provinces.

The other transfer payments include various subsidies paid through federal programs to stabilize market prices for commodities, to develop new technologies, to conduct research, to establish new jobs through support for training and to promote educational and cultural activities. Also included are expenses of other consolidated entities and other miscellaneous payments.

Other program expenses

This category covers the costs associated with programs directly delivered by the federal government such as national defence, food inspection, the Coast Guard, the federal court system, the operation of health facilities for natives and veterans, and the national parks system. It also includes the expenses of consolidated Crown corporations and other entities incurred with third parties.

Table 3.7 presents a comparative analysis by province and territory of certain transfer payments.

Table 3.7
Major Transfer Payments by Province and Territory

(in millions of dollars)

	Fiscal Year	Old age security benefits [1]	Employment insurance benefits	Fiscal arrangements	Quebec abatement [2]	Canada health transfer	Canada social transfer	Other major transfers [3]	Children's benefits	Total
Newfoundland and Labrador	2014-2015	882	975	2		493	187	30		2,569
	2013-2014	842	976	2		525	189	31		2,565
Prince Edward Island	2014-2015	218	231	360		134	52	50		1,045
	2013-2014	208	229	340		128	50	29		984
Nova Scotia	2014-2015	1,442	839	1,817		860	335	53		5,346
	2013-2014	1,375	816	1,810		840	327	84		5,252
New Brunswick	2014-2015	1,220	927	1,668		687	267	89		4,858
	2013-2014	1,162	892	1,564		683	264	111		4,676
Quebec	2014-2015	12,195	4,156	9,395	(4,234)	7,477	2,908	458		32,355
	2013-2014	11,630	3,954	7,839	(4,223)	7,410	2,854	1,931		31,395
Ontario	2014-2015	16,627	5,959	1,997		12,459	4,847	745		42,634
	2013-2014	15,686	5,835	3,178		11,956	4,689	747		42,091
Manitoba	2014-2015	1,539	563	1,753		1,167	454	66		5,542
	2013-2014	1,468	534	1,802		1,099	435	66		5,404
Saskatchewan	2014-2015	1,336	486	2		998	398	130		3,350
	2013-2014	1,279	446	2		968	389	56		3,140
Alberta	2014-2015	3,611	1,663	5		3,478	1,452	209		10,418
	2013-2014	3,394	1,492	5		2,804	1,406	200		9,301
British Columbia	2014-2015	6,193	2,156	4		4,249	1,641	253		14,496
	2013-2014	5,796	2,024	4		4,043	1,571	(69)		13,369
Total provinces	2014-2015	45,263	17,955	17,003	(4,234)	32,002	12,541	2,083		122,613
	2013-2014	42,840	17,198	16,546	(4,223)	30,456	12,174	3,186		118,177
Northwest Territories	2014-2015	25	35	1,209		47	15	15		1,346
	2013-2014	24	34	1,121		22	15	15		1,231
Nunavut	2014-2015	9	22	1,409		33	13	15		1,501
	2013-2014	10	21	1,350		35	13	15		1,444
Yukon Territory	2014-2015	27	31	851		32	13	29		983
	2013-2014	27	34	816		30	13	52		972
International	2014-2015	259	9							268
	2013-2014	255	13							268
Total expenses for provinces and territories	2014-2015	45,583	18,052	20,472	(4,234)	32,114	12,582	2,142		126,711
	2013-2014	43,156	17,300	19,833	(4,223)	30,543	12,215	3,268		122,092
Accrual and other adjustments	2014-2015	(1,480)		33						(1,447)
	2013-2014	(1,370)						(1,161)		(2,531)
Subtotal	2014-2015	44,103	18,052	20,505	(4,234)	32,114	12,582	2,142		125,264
	2013-2014	41,786	17,300	19,833	(4,223)	30,543	12,215	2,107		119,561
Add: transfers made through the tax system	2014-2015								14,303	14,303
	2013-2014								13,136	13,136
Total major transfer payments	2014-2015	44,103	18,052	20,505	(4,234)	32,114	12,582	2,142	14,303	139,567
	2013-2014	41,786	17,300	19,833	(4,223)	30,543	12,215	2,107	13,136	132,697

Certain comparative figures have been reclassified to conform to the current year's presentation.

(1) Includes the guaranteed income supplement and the spouse's allowance.

(2) The Quebec Abatement is comprised of federal tax abated under the Alternative Payments for Standing Programs and the Youth Allowance Program of that province.

(3) Includes the contributions under the federal Gas Tax Fund program of $1,973 million ($2,107 million in 2014).

Public debt charges

Public debt charges include the interest on unmatured debt and on pensions, other future benefits and other liabilities, the amortization of premiums and discounts on unmatured debt, and the servicing costs and the costs of issuing new borrowings.

A comparative summary of public debt charges is presented in Table 3.8. The table also discloses the reconciling items between total public debt charges as reported in the ministerial section of the Department of Finance (Section 11) of Volume II of the *Public Accounts of Canada* and the total expenses of the public debt indicated in Table 3.6. The reconciling items include the interest expenses on capital leases as well as accrual and other adjustments.

Table 3.8

Public debt charges (1)

(in millions of dollars)

	2014-2015	2013-2014
Unmatured debt —		
Interest on:		
Marketable bonds	13,562	14,060
Retail debt	47	59
Medium-term notes	5	1
	13,614	*14,120*
Amortization of discounts on Canada and Treasury Bills		
Treasury bills	1,418	1,816
Canada bills	2	2
	1,420	*1,818*
Amortization of premiums and discounts on all other debts		
Marketable bonds	405	345
Consumer price index adjustments on real return bonds	436	629
	841	*974*
Cross-currency swap revaluation	(542)	(495)
Servicing costs and costs of issuing new borrowings	19	11
Capital lease obligations	209	214
Other unmatured debt	60	14
Total public debt charges related to unmatured debt	15,621	16,656
Pensions and other future benefits —		
Interest on:		
Public sector pensions — Superannuation accounts	7,906	8,341
Less: provision for pension adjustment	(4)	358
	7,902	*8,699*
Other employee and veteran future benefits		
Public Service Health Care Plan and Pensioners' Dental Service Plan	777	858
Severance and other benefits	93	117
Accumulated sick leave entitlements	48	39
Worker's compensation	39	29
Veterans' disability and other future benefits	1,656	1,411
Royal Canadian Mounted Police disability and other future benefits	233	175
	2,846	*2,629*
Total public debt charges related to pensions and other future benefits	10,748	11,328
Other liabilities —		
Canada Pension Plan	3	3
Government Annuities Account	11	12
Deposit and trust accounts	25	29
Other specified purpose accounts	179	183
Other liabilities	7	9
Total public debt charges related to other liabilities	225	236
Consolidated specified purpose accounts —		
Interest	5	7
Total public debt charges related to consolidated specified purpose accounts	5	7
Total public debt charges before consolidation adjustments	26,599	28,227
Less: consolidation adjustments	5	7
Total public debt charges (1) (2)	26,594	28,220

Table 3.8

Public debt charges[1] — *Concluded*

(in millions of dollars)

	2014-2015	2013-2014
Comprised of:		
Total public debt charges under statutory authorities before accrual and other adjustments and consolidation adjustments	23,488	25,012
Accrual and other adjustments	3,111	3,215
Consolidation adjustments	(5)	(7)
Total public debt charges	26,594	28,220

[1] A summary is provided in Table 2a in Section 1 of Volume II of the *Public Accounts of Canada*.

[2] Additional details are provided in Section 7 of Volume III of the *Public Accounts of Canada*.

Expenses by Object

Table 3.9 reconciles the total net expenditures by object initially recorded by departments under the partial accrual method of accounting to the total expenses which is based on the full accrual method of accounting. Reconciliation items represent the effect of consolidation and full accrual accounting.

Table 3.9

Total Expenses by Object[1]

(in millions of dollars)

	Total net expenditures	Reconciliation	Total expenses
Transfer payments	142,212	32,481	174,693
Other program expenses —			
Crown corporations[2]		7,162	7,162
Personnel	39,056	4,755	43,811
Transportation and communications	2,536	(114)	2,422
Information	302	(70)	232
Professional and special services	10,666	(2,576)	8,090
Rentals	3,003	(1,024)	1,979
Repair and maintenance	2,655	(343)	2,312
Utilities, materials and supplies	2,845	(331)	2,514
Acquisition of land, buildings and works	1,662	(1,662)	
Acquisition of machinery and equipment	3,811	(3,811)	
Other subsidies and expenses	9,466	(4,031)	5,435
Amortization of tangible capital assets		5,090	5,090
Net loss on disposal of assets		101	101
Total other program expenses	76,002	3,146	79,148
Public debt charges	23,488	3,106	26,594
Total gross expenses	241,702	38,733	280,435
Less: revenues netted against expenditures	10,561	(10,561)	
Total expenses	231,141	49,294	280,435

[1] Additional details are provided in Table 3a in Section 1 of Volume II of the *Public Accounts of Canada*.

[2] This amount differs from the expense shown on the Consolidated Statement of Operations and Accumulated Deficit due to the amortization of tangible capital assets and the net loss on disposal of assets of consolidated Crown corporations, reclassified within their respective object of expense.

Expenditures under Statutory Authorities

Spending authorities provided by statutory authorities are for specified purposes and for such amounts and such time periods as the acts prescribe. These spending authorities do not generally lapse at the end of the year during which they were granted. Expenditures under such authorities account for approximately half of the total program expenses each year.

Table 3.10 presents a comparative summary of the ministerial expenditures under statutory authorities.

Table 3.10
Expenditures under Statutory Authorities

(in millions of dollars)

	2014-2015	2013-2014
Old age security payments (*Old Age Security Act*)	33,536	31,911
Canada health transfer (Part V.1 — *Federal-Provincial Fiscal Arrangements Act*)	32,114	30,533
Public debt charges	23,488	25,012
Fiscal equalization (Part I — *Federal-Provincial Fiscal Arrangements Act*)	16,669	16,105
Canada social transfer (Part V.1 — *Federal-Provincial Fiscal Arrangements Act*)	12,582	12,215
Guaranteed income supplement payments (*Old Age Security Act*)	10,066	9,373
Territorial financing (Part I.1 — *Federal-Provincial Fiscal Arrangements Act*)	3,469	3,288
Universal child care benefit (*Universal Child Care Benefit Act*)	2,738	2,740
Gas Tax Fund	2,000	
Payments to International Development Association	883	442
Canada Education Savings grant payments to Registered Education Savings Plans (RESPs) trustees on behalf of RESP beneficiaries to encourage Canadians to save for post-secondary education for their children	781	760
Payments to the Newfoundland Offshore Petroleum Resource Revenues Fund	752	732
Canada study grants to qualifying full and part-time students pursuant to the *Canada Student Financial Assistance Act*	707	725
Payments related to the direct financing arrangement under the *Canada Student Financial Assistance Act*	631	558
Contribution payments for the AgriInsurance program	611	751
Allowance payments (*Old Age Security Act*)	531	528
Judges' salaries, allowances and annuities, annuities to spouses and children of judges and lump sum payments to spouses of judges who die while in office	506	490
Youth allowances recovery (*Federal-Provincial Fiscal Revision Act, 1964*)	(767)	(763)
Alternative payments for standing programs (Part VI — *Federal-Provincial Fiscal Arrangements Act*)	(3,467)	(3,460)
Total	137,830	131,940
Superannuation, supplementary retirement benefits, death benefits and other pensions (1)		
Public Service		
Government's contributions to the public service pension plan and the Retirement Compensation Arrangements Account	2,875	3,062
Government's contributions to the Canada and the Quebec Pension Plans	641	620
Government's contribution to the Employment Insurance Operating Account	295	285
Government's contributions to the Death Benefit Account	14	14
Total Contributions	3,825	3,981
Less: recoveries from revolving funds	94	106
Total	3,731	3,875
Canadian Forces		
Government's contribution to the Canadian Forces pension plan and the Retirement Compensation Arrangements Account	1,064	1,133
Government's contribution to the Canada and the Quebec Pension Plans	178	187
Government's contribution as employer to the Employment Insurance Operating Account	82	85
Statutory payments under the *Supplementary Retirement Benefits Act*	2	3
Government's contribution to the Death Benefit Account	3	3
Total	1,329	1,411

Table 3.10

Expenditures under Statutory Authorities — *Concluded*

(in millions of dollars)

	2014-2015	2013-2014
Royal Canadian Mounted Police		
Government's contribution to the Royal Canadian Mounted Police pension plan and the Retirement Compensation Arrangements Account	361	372
Government's contribution to the Canada and the Quebec Pension Plans	55	52
Government's contribution as employer to the Employment Insurance Operating Account	21	23
Statutory payments under the *Supplementary Retirement Benefits Act*	8	9
Total	445	456
Shared Services Canada		
Government's contribution to the Employment Insurance Operation Account, the Royal Canadian Mounted Police pension plan and the Retirement Compensation Arrangements Account	1	5
Government's contribution to the Canada and the Quebec Pension Plans	4	1
Total	5	6
All other statutory expenditures	3,640	5,392
Total ministerial expenditures under statutory authorities [2]	**146,980**	**143,080**

Certain comparative figures have been reclassified to conform to the current year's presentation.

[1] Details related to other pension accounts, such as the Members of Parliament Retiring Allowances Account, are not included.

[2] Additional information on the ministerial expenditures under statutory authorities are provided in Table 7 in Section 1 of Volume II of the *Public Accounts of Canada*.

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Section 4

2014-2015

Public Accounts of Canada

Consolidated Accounts

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Consolidated Crown Corporations and Other Entities

This section provides all related information on consolidated Crown corporations and other entities. Consolidated entities are those which rely on Government funding as their principal source of revenue and are controlled by the Government.

Consolidation involves the combination of the accounts of these corporations and other entities on a line-by-line and uniform basis of accounting and elimination of inter-organizational balances and transactions. Consequently, the corporations and other entities' accounts must be adjusted to the Government's basis of accounting. All corporations and other entities follow either Canadian Public Sector Accounting Standards or International Financial Reporting Standards. The financial information reported by all of the consolidated Crown corporations and other entities in the following summary tables have been prepared and reported based upon Canadian Public Sector Accounting Standards.

Summary Financial Statements of Consolidated Crown Corporations and Other Entities

The following tables display details of the assets, liabilities, revenues and expenses of the consolidated Crown corporations and other entities.

For those corporations and other entities having year ends other than March 31, the data are based on unaudited interim financial statements which have been prepared on a basis consistent with the most recent audited financial statements.

Tables 4.1 and 4.2 summarize the financial transactions and results of operations as reported by the consolidated Crown corporations and other entities.

Financial assets include cash and cash equivalents, receivables, loans and investments. Financial assets are segregated between third parties and Government, Crown corporations and other entities. The financial assets reported under Government, Crown corporations and other entities represent receivables, loans and investments between related parties. Non-financial assets represent the unexpensed portion of capital assets, inventories and prepayments such as buildings, machinery and equipment in use or under construction, inventories and other items of expenditure which will be expensed as these assets are used. Liabilities include payables, borrowings and other obligations. Liabilities are segregated between third parties and Government, Crown corporations and other entities. Borrowings from third parties represent long-term debts payable of the corporations and other entities. Other third party liabilities are amounts due for purchases, pensions and other employee future benefits, various accruals, capital leases and like items. The liabilities reported under Government, Crown corporations and other entities represent payables and borrowings between related parties.

Revenues are segregated between third parties and Government, Crown corporations and other entities. Government, Crown corporations and other entities' revenues are broken down further to identify revenues arising from normal operations and financial assistance received or receivable from the Government in respect of the current year's operations. Expenses are segregated between third parties and Government, Crown corporations and other entities. Equity transactions other than current year's net income or loss are segregated between equity adjustments and other, remeasurement gains and losses and equity transactions with the Government. Equity adjustments and other include prior period adjustments and other miscellaneous items recorded by the corporations and other entities. Remeasurement gains and losses comprise certain unrealized gains and losses on financial instruments that are recognized in the Statement of Remeasurement Gains and Losses, but excluded from the annual surplus (deficit). Upon realization, these gains and losses are included in the annual surplus (deficit). Equity transactions with the Government include dividends declared or transfers of profits to the Government, as well as capital transactions with the Government. The line "Conversion to the Government accounting basis for consolidation purposes" represents the adjustments required to bring the corporations and other entities' accounting policies in line with those of the Government.

These tables present financial information on consolidated parent Crown corporations and other entities, as well as financial information on wholly-owned subsidiaries that are considered "deemed parent Crown corporations" and thus consolidated directly in the consolidated financial statements of the Government and excluded from the consolidated financial statements of their parent Crown corporations. The quarterly *Inventory of Government of Canada Organizations* includes a complete list of all parent Crown corporations, wholly-owned subsidiaries, other subsidiaries and associates.

Consolidated Crown corporations are also categorized as being either agents or non-agents of the Crown. Agency status may be expressly stated in the incorporating legislation or conferred under the provisions of the *Government Corporations Operation Act*. In accordance with section 54 of the *Financial Administration Act*, the payment of all money borrowed by consolidated agent Crown corporations and interest thereon is a charge on and payable out of the Consolidated Revenue Fund. Table 4.3 summarizes such borrowings for the consolidated corporations and the changes for the year ended March 31, 2015. Contingent liabilities of consolidated corporations and other entities are presented in Table 4.4.

A summary of financial assistance under budgetary appropriations to consolidated Crown corporations for the year ended March 31, 2015 is provided in Table 4.5. Differences in figures reported in Table 4.2 and those reported in Table 4.5 result from the use of different accounting policies and from items in transit.

Table 4.1

Financial Position of Consolidated Crown Corporations and Other Entities — Assets, Liabilities and Equity as at March 31, 2015

(in thousands of dollars)

	Assets			
	Financial			
Consolidated Crown corporations and other entities	Third parties	Government, Crown corporations and other entities	Non-financial	Total assets
Crown corporations (1)				
Atomic Energy of Canada Limited	255,071	28,020	661,212	944,303
Canada Council for the Arts	348,270	179	27,130	375,579
Canada Development Investment Corporation				
PPP Canada Inc	1,414,414	908	1,436	1,416,758
Canadian Air Transport Security Authority	83,492	92,072	335,413	510,977
Canadian Broadcasting Corporation	1,119,521	285	1,145,169	2,264,975
Canadian Commercial Corporation	230,904	1,101	2,826,696	3,058,701
Canadian Dairy Commission	3,534		54,245	57,779
Canadian Museum for Human Rights	10,603	356	340,007	350,966
Canadian Museum of History	57,328	14,167	244,901	316,396
Canadian Museum of Immigration at Pier 21	14,398	1,205	19,910	35,513
Canadian Museum of Nature	8,724	201	194,957	203,882
Canadian Race Relations Foundation	28,598	475	51	29,124
Canadian Tourism Commission	15,550	205	11,544	27,299
Defence Construction (1951) Limited	39,149	15,173	4,032	58,354
Enterprise Cape Breton Corporation (2)				
Federal Bridge Corporation Limited, The (3)	44,931	6,005	322,244	373,180
International Development Research Centre	68,453	6,053	10,559	85,065
Jacques Cartier and Champlain Bridges Inc.	74,813	14,540	475,201	564,554
Marine Atlantic Inc.	135,238		228,752	363,990
National Arts Centre Corporation	13,065	13	55,826	68,904
National Capital Commission	187,927	3,858	599,215	791,000
National Gallery of Canada	22,699	812	86,433	109,944
National Museum of Science and Technology	9,477	7,614	64,484	81,575
Standards Council of Canada	7,388	1,523	1,867	10,778
Telefilm Canada	8,714	47,633	4,474	60,821
VIA Rail Canada Inc.	371,414	30,891	927,730	1,330,035
Windsor-Detroit Bridge Authority (4)	162	2,783	3,138	6,083
Total — Crown corporations	4,573,837	276,072	8,646,626	13,496,535
Conversion to the Government accounting basis for consolidation purposes	(76,006)		(51,631)	(127,637)
Net Crown corporations on the Government accounting basis	4,497,831	276,072	8,594,995	13,368,898
Other entities (5)				
Aboriginal Healing Foundation (6)				
Canada Foundation for Innovation	419,683	280,350	4,799	704,832
Canada Foundation for Sustainable Development Technology	136,037		929	136,966
First Nations Market Housing Fund	296,001	48,373	75	344,449
St. Lawrence Seaway Management Corporation	103,902	24,683	17,799	146,384
Capital Fund Trust	2,139	12,685		14,824
Employee Termination Benefits Trust Fund	1,343	1,088		2,431
Total — Other entities	959,105	367,179	23,602	1,349,886
Conversion to the Government accounting basis for consolidation purposes	(1,464)	(1,363)		(2,827)
Net other entities on the Government accounting basis	957,641	365,816	23,602	1,347,059
Total	5,455,472	641,888	8,618,597	14,715,957

(1) All Crown corporations listed at the margin in this table are parent Crown corporations.

(2) Enterprise Cape Breton Corporation was dissolved on June 19, 2014 as part of Bill C-31. The operation of Enterprise Cape Breton Corporation has been transferred to both Atlantic Canada Opportunities Agency and Public Works and Government Services Canada.

(3) The Federal Bridge Corporation Limited is a new entity resulting from the amalgamations under the *Canada Business Corporations Act* of the legacy The Federal Bridge Corporation Limited (the "legacy FBCL"), a parent Crown corporation with its subsidiary, St.Mary's River Bridge Company (SMRBC) on January 27, 2015 and with another parent Crown corporation Blue Water Bridge Authority (BWBA) on February 1, 2015, in accordance with the authorities provided by the *Economic Action Plan 2013 Act, No.2*, as amended,by the *Economic Action Plan 2014 Act, No.2*. BWBA was accounted for as an enterprise Crown corporation presented in Section 9 of this Volume up until the date of the amalgamation. The activity within the current year for the new entity, the legacy FBCL and SMRBC are presented in this Section.

(4) The Windsor-Detroit Bridge Authority became a parent Crown Corporation by issuance of the order in council 2012-1350. The operation of Windsor-Detroit Bridge Authority has officially started during fiscal year 2014-2015.

(5) These entities, which are not Crown corporations or agents of the Crown, are considered other consolidated entities.

(6) The Aboriginal Healing Foundation was dissolved on September 30, 2014.

Liabilities								
Third parties								
Borrowings	Other	Government, Crown corporations and other entities	Total liabilities	Accumulated profits (losses)	Contributed surplus	Capital stock	Equity of Canada	Total liabilities and equity
	6,635,421	614,281	7,249,702	(6,528,162)	207,763	15,000	(6,305,399)	944,303
	83,401	458	83,859	291,720			291,720	375,579
	3,664	1,407,409	1,411,073	5,685			5,685	1,416,758
	116,568	671	117,239	393,738			393,738	510,977
381,732	643,614	6,831	1,032,177	1,232,798			1,232,798	2,264,975
	3,036,959	1,041	3,038,000	10,701	10,000		20,701	3,058,701
828	38,091	18,860	57,779					57,779
	185,384	158,112	343,496	7,470			7,470	350,966
	23,533	228,709	252,242	64,154			64,154	316,396
	10,069	22,153	32,222	3,291			3,291	35,513
	37,615	175,059	212,674	(8,792)			(8,792)	203,882
	770		770	28,354			28,354	29,124
	10,138	33	10,171	17,128			17,128	27,299
	26,718	646	27,364	30,990			30,990	58,354
92,930	35,111	11,820	139,861	233,319			233,319	373,180
	56,211	8,329	64,540	20,525			20,525	85,065
	119,140		119,140	445,414			445,414	564,554
	100,178	2,766	102,944	261,046			261,046	363,990
	13,579	57,426	71,005	(2,101)			(2,101)	68,904
	142,446	2,775	145,221	645,779			645,779	791,000
	10,032	91,811	101,843	8,101			8,101	109,944
	10,508	58,152	68,660	12,915			12,915	81,575
	4,452	63	4,515	6,263			6,263	10,778
	35,526	122	35,648	25,173			25,173	60,821
	210,052	894,736	1,104,788	215,947		9,300	225,247	1,330,035
	1,153		1,153	4,930			4,930	6,083
475,490	11,590,333	3,762,263	15,828,086	(2,573,614)	217,763	24,300	(2,331,551)	13,496,535
	(28,901)	(3,520,539)	(3,549,440)	3,663,866	(217,763)	(24,300)	3,421,803	(127,637)
475,490	11,561,432	241,724	12,278,646	1,090,252			1,090,252	13,368,898
	874	703,958	704,832					704,832
	844	136,122	136,966					136,966
	41,843	302,606	344,449					344,449
	104,349	9,212	113,561	32,823			32,823	146,384
	2	14,822	14,824					14,824
	2	2,429	2,431					2,431
	147,914	1,169,149	1,317,063	32,823			32,823	1,349,886
	(2,601)	(1,151,597)	(1,154,198)	1,151,371			1,151,371	(2,827)
	145,313	17,552	162,865	1,184,194			1,184,194	1,347,059
475,490	11,706,745	259,276	12,441,511	2,274,446			2,274,446	14,715,957

Table 4.2

Revenues, Expenses and Other Changes in Equity of Consolidated Crown Corporations and Other Entities for the year ended March 31, 2015

(in thousands of dollars)

	Revenues			
		Government, Crown corporations and other entities		
Consolidated Crown corporations and other entities	Third parties	Financial assistance	Other	Total
Crown corporations				
Atomic Energy of Canada Limited	148,155	241,483	226,178	615,816
Canada Council for the Arts	13,189	182,224	737	196,150
Canada Development Investment Corporation – PPP Canada Inc	66	35,177	2,021	37,264
Canadian Air Transport Security Authority	1,474	620,634		622,108
Canadian Broadcasting Corporation	652,682	1,038,024	1,206	1,691,912
Canadian Commercial Corporation	2,446,994	14,240	18,013	2,479,247
Canadian Dairy Commission	310,133	3,884		314,017
Canadian Museum for Human Rights	7,289	21,087	7,043	35,419
Canadian Museum of History	15,887	58,581	14,955	89,423
Canadian Museum of Immigration at Pier 21	2,436	7,700	1,823	11,959
Canadian Museum of Nature	8,951	26,150	7,349	42,450
Canadian Race Relations Foundation	1,804		677	2,481
Canadian Tourism Commission	10,174	57,976	319	68,469
Defence Construction (1951) Limited	780		82,583	83,363
Enterprise Cape Breton Corporation	321	12,384		12,705
Federal Bridge Corporation Limited, The	17,277	8,410	9,475	35,162
International Development Research Centre	48,529	190,024	20,293	258,846
Jacques Cartier and Champlain Bridges Inc.	4,334	246,205		250,539
Marine Atlantic Inc.	101,210	136,122		237,332
National Arts Centre Corporation	28,511	34,376	7,118	70,005
National Capital Commission	26,685	92,446	6,119	125,250
National Gallery of Canada	11,723	44,360	6,512	62,595
National Museum of Science and Technology	5,967	26,766	5,981	38,714
Standards Council of Canada	7,798	12,890	752	21,440
Telefilm Canada	22,667	95,454		118,121
VIA Rail Canada Inc	281,434	324,568	67,624	673,626
Windsor-Detroit Bridge Authority		8,059		8,059
Total — Crown corporations	4,176,470	3,539,224	486,778	8,202,472
Conversion to the Government accounting basis for consolidation purposes	(2,928)	352,593	(127,990)	221,675
Total on the Government accounting basis	4,173,542	3,891,817	358,788	8,424,147
Consolidation adjustments	386	(3,891,817)	(358,788)	(4,250,219)
Net amount — Crown corporations	4,173,928			4,173,928
Other entities				
Aboriginal Healing Foundation	1,873		(373)	1,500
Canada Foundation for Innovation	10,540		393,536	404,076
Canada Foundation for Sustainable Development Technology	1,798		68,456	70,254
First Nations Market Housing Fund	10,694		885	11,579
St. Lawrence Seaway Management Corporation	76,151		113,676	189,827
Capital Fund Trust	31	122,000	(7,781)	114,250
Employee Termination Benefits Trust Fund	22			22
Total — Other entities	101,109	122,000	568,399	791,508
Conversion to the Government accounting basis for consolidation purposes	8,517	173,354	(454,634)	(272,763)
Total on the Government accounting basis	109,626	295,354	113,765	518,745
Consolidation adjustments	9,458	(295,354)	(113,765)	(399,661)
Net amount — Other entities	119,084			119,084
Total	4,293,012			4,293,012

The accompanying notes to Table 4.1 are an integral part of this table.

Expenses			Net income (loss)	Equity beginning of year	Equity adjustments and other	Remeasurement gains (losses)	Equity transactions with the Government		Equity end of year
Third parties	Government, Crown corporations and other entities	Total					Dividends	Capital	
757,569	63,446	821,015	(205,199)	(6,072,335)				(27,865)	(6,305,399)
193,051	282	193,333	2,817	273,977		14,926			291,720
36,980	960	37,940	(676)	6,361					5,685
567,295	12,921	580,216	41,892	351,846					393,738
1,515,910	1,319	1,517,229	174,683	1,058,115					1,232,798
2,468,155	2,900	2,471,055	8,192	12,509					20,701
314,376	946	315,322	(1,305)		1,305				
34,261	3,269	37,530	(2,111)	9,739		(158)			7,470
77,269	12,923	90,192	(769)	63,225		1,698			64,154
9,048	2,187	11,235	724	2,470	(224)	321			3,291
37,329	3,472	40,801	1,649	(10,136)	(305)				(8,792)
651	651	1,302	1,179	26,411	(79)	843			28,354
59,277	1,207	60,484	7,985	8,961		182			17,128
86,518	128	86,646	(3,283)	34,027		246			30,990
9,355	4,625	13,980	(1,275)	(351,220)	352,495				
21,869	2	21,871	13,291	80,807	138,584	637			233,319
251,134	3,786	254,920	3,926	16,599					20,525
153,674		153,674	96,865	348,549					445,414
239,494		239,494	(2,162)	269,891		(6,683)			261,046
69,078	1,863	70,941	(936)	(1,165)					(2,101)
135,543	7,477	143,020	(17,770)	663,549					645,779
55,380	6,909	62,289	306	7,795					8,101
32,461	5,370	37,831	883	12,032					12,915
19,750	672	20,422	1,018	5,245					6,263
110,911	2,293	113,204	4,917	20,256					25,173
593,390	10,646	604,036	69,590	155,657					225,247
3,129		3,129	4,930						4,930
7,852,857	150,254	8,003,111	199,361	(3,006,835)	491,776	12,012		(27,865)	(2,331,551)
(11,286)	(40,915)	(52,201)	273,876	3,126,292	5,782	(12,012)		27,865	3,421,803
7,841,571	109,339	7,950,910	473,237	119,457	497,558				1,090,252
(251,453)	(109,339)	(360,792)	(3,889,427)		3,889,427				
7,590,118		7,590,118	(3,416,190)	119,457	4,386,985				1,090,252
1,500		1,500							
404,037	39	404,076							
70,254		70,254							
10,694	885	11,579							
169,542	202	169,744	20,083	12,740					32,823
2	114,248	114,250							
2	20	22							
656,031	115,394	771,425	20,083	12,740					32,823
2,242	(2,242)		(272,763)	1,424,134					1,151,371
658,273	113,152	771,425	(252,680)	1,436,874					1,184,194
8,845	(113,152;	(104,307)	(295,354)		295,354				
667,118		667,118	(548,034)	1,436,874	295,354				1,184,194
8,257,236		8,257,236	(3,964,224)	1,556,331	4,682,339				2,274,446

Borrowings by Consolidated Agent Crown Corporations

Table 4.3 summarizes the borrowing transactions by consolidated agent Crown corporations made on behalf of Her Majesty. This information is published to satisfy section 49 of the *Financial Administration Act* (FAA) which requires that an annual statement be included in the *Public Accounts of Canada*. The borrowings are from lenders other than the Government. In accordance with section 54 of the FAA, the payment of all money borrowed by agent Crown corporations and interest thereon is a charge on and payable out of the Consolidated Revenue Fund. Such borrowings are consolidated in the summary consolidated financial statements of Canada.

Table 4.3

Borrowings by Consolidated Agent Crown Corporations

(in thousands of dollars)

	Balance April 1, 2014	Borrowings and other credits	Repayments and other charges	Balance March 31, 2015
Canadian Broadcasting Corporation	400,754		19,022	381,732
Canadian Dairy Commission	2,515	32,510	34,197	828
Federal Bridge Corporation Limited, The	4,820	88,214	104	92,930
Total	408,089	120,724	53,323	475,490

Contingent Liabilities of Consolidated Crown Corporations and Other Entities

Table 4.4 summarizes the contingent liabilities of the consolidated Crown corporations and other entities. A contingent liability is defined as a potential liability which may become an actual liability when one or more future events occur or fail to occur.

Table 4.4

Contingent Liabilities of Consolidated Crown Corporations and Other Entities

(in thousands of dollars)

	March 31, 2015
Agent Crown corporations	
National Gallery of Canada — Claims and pending and threatened litigation	514
Non-agent Crown corporations	
Marine Atlantic Inc. — Claims and pending and threatened litigation	550
St. Lawrence Seaway Management Corporation — Claims and pending and threatened litigation	4,151
St. Lawrence Seaway Management Corporation — Letters of credit	838
VIA Rail Canada Inc. — Letters of credit	30,881
Total	36,934

Financial Assistance under Budgetary Appropriations to Consolidated Crown Corporations

Table 4.5 summarizes financial assistance under budgetary appropriations for both consolidated agent and non-agent Crown corporations. It should be read in conjunction with Table 4.2. The purpose for which payments have been made under budgetary appropriations is segregated between: *(a)* amounts approved through a program expenditures vote; *(b)* amounts approved through an operating expenditures vote; and *(c)* amounts approved through a capital expenditures vote.

All amounts reported represent charges to appropriations or authorities approved by Parliament.

Differences in figures reported in Table 4.2 and those reported in Table 4.5 result from the use of different accounting policies and from items in transit.

Table 4.5

Financial Assistance under Budgetary Appropriations to Consolidated Crown Corporations for the year ended March 31, 2015

(in thousands of dollars)

	Program expenditures vote	Operating expenditures vote	Capital expenditures vote	Financial assistance under budgetary appropriations [1]
Agent Crown corporations				
Atomic Energy of Canada Limited [2]	326,743			326,743
Canadian Air Transport Security Authority	623,897			623,897
Canadian Broadcasting Corporation		929,284	108,740	1,038,024
Canadian Commercial Corporation	14,240			14,240
Canadian Dairy Commission	3,884			3,884
Canadian Museum for Human Rights	21,700			21,700
Canadian Museum of History	68,924			68,924
Canadian Museum of Immigration at Pier 21	9,900			9,900
Canadian Museum of Nature	26,277			26,277
Canadian Tourism Commission	57,976			57,976
Enterprise Cape Breton Corporation	9,866			9,866
Federal Bridge Corporation Limited, The	8,138			8,138
Jacques Cartier and Champlain Bridges Inc.	244,958			244,958
National Capital Commission		68,781	23,665	92,446
National Gallery of Canada		36,308	8,000	44,308
National Museum of Science and Technology	33,370			33,370
Telefilm Canada	95,454			95,454
Total — Agent Crown corporations	1,545,327	1,034,373	140,405	2,720,105
Non-agent Crown corporations				
Canada Council for the Arts	182,224			182,224
International Development Research Centre	190,024			190,024
Marine Atlantic Inc.	127,484			127,484
National Arts Centre Corporation	35,321			35,321
PPP Canada Inc	209,500			209,500
Standards Council of Canada	12,890			12,890
VIA Rail Canada Inc.	406,210			406,210
Windsor-Detroit Bridge Authority	8,059			8,059
Total — Non-agent Crown corporations	1,171,712			1,171,712
Total	2,717,039	1,034,373	140,405	3,891,817

[1] Excludes grants and contributions paid to agent and non-agent consolidated Crown corporations where they qualify as members of a general class of recipients.

[2] The financial assistance under budgetary appropriations does not include an amount of $188,459,000 received by Atomic Energy of Canada Limited for Decommissioning Funding. This amount has been presented as Other Revenues from Government, Crown corporations and other entities in table 4.2.

Consolidated Specified Purpose Accounts

Consolidated specified purpose accounts are particular categories of revenues and expenses whereby legislation requires that revenues received for purposes specified in the legislation be credited to these accounts and that related payments be charged to the accounts. They are principally used where the activities are similar in nature to departmental activities and the transactions do not represent future liabilities to third parties but in essence constitute Government revenues and expenses.

The transactions of these accounts are reported with revenues and expenses, in order to provide a more comprehensive reporting of the Government's operating results.

Further, enabling legislation requires that the transactions in each of these accounts be accounted for separately. Table 4.6 presents a summary of the balances and transactions of these accounts, in the manner required by legislation. A narrative description is provided for accounts reported in Table 4.6. Such descriptions follow the same presentation order as their respective tables.

The financial statements of the Employment Insurance Operating Account, together with the Independent Auditor's Report thereon, are presented at the end of this section.

Table 4.6
Consolidated Specified Purpose Accounts

		Revenues and other credits		Expenses and other debits		
	April 1, 2014	External transactions	Internal transactions	External transactions	Internal transactions	March 31, 2015
	$	$	$	$	$	$
Insurance accounts —						
Agriculture and Agri-Food —						
Crop Reinsurance Fund	559,616,298	11,696,050		(278,307)		571,590,655
Less: interest-bearing loans	277,514,751					277,514,751
	282,101,547	*11,696,050*		*(278,307)*		*294,075,904*
Agricultural Commodities Stabilization Accounts	646,510					646,510
	282,748,057	*11,696,050*		*(278,307)*		*294,722,414*
Employment and Social Development —						
Employment Insurance Operating Account, Table 4.7	(2,733,731,401)	22,616,418,049	398,308,147	18,288,455,838	1,470,832,728	521,706,229
Finance —						
Investors' Indemnity Account	45,303					45,303
Health —						
Health Insurance Supplementary Account	28,386					28,386
Natural Resources —						
Canadian Nuclear Safety Commission — Nuclear Liability Reinsurance Account	3,390,721	231,035				3,621,756
Transport —						
Ship-Source Oil Pollution Fund	405,895,803	133,372	5,266,649	1,215,985	319,710	409,760,129
Total insurance accounts	(2,041,623,131)	22,628,478,506	403,574,796	18,289,393,516	1,471,152,438	1,229,884,217

Table 4.6
Consolidated Specified Purpose Accounts — *Concluded*

		Revenues and other credits		Expenses and other debits		
	April 1, 2014	External transactions	Internal transactions	External transactions	Internal transactions	March 31, 2015
	$	$	$	$	$	$
Other consolidated specified purpose accounts —						
Canadian Heritage —						
National Battlefields Commission — Trust Fund	987,855	9,000	7,366	216,727	3,001	784,493
Environment —						
Court Award Deposits —						
Other than Environmental Damages Fund	548,221	3,178		83,078	2,926	465,395
Environmental Damages Fund	3,398,716	7,092,690	295,146	898,795		9,887,757
Parks Canada Agency —						
New Parks and Historic Sites Account	12,192,185	3,969,073		422,624	655,874	15,082,760
	16,139,122	*11,064,941*	*295,146*	*1,404,497*	*658,800*	*25,435,912*
Finance —						
Canadian Commercial Bank and Northland Bank Holdback Account	246,223,464					246,223,464
Fisheries and Oceans —						
Supplementary Fines Account — *Species at Risk Act*	30,000	5,000				35,000
Supplementary Fish Fines Account	1,744,542	41,678		109,690		1,676,530
	1,774,542	*46,678*		*109,690*		*1,711,530*
Indian Affairs and Northern Development —						
Cleanup costs for environmental damage caused by Bowater	2,237,411			111,246		2,126,165
Environmental Studies Research Fund	3,555,355		1,322,590	1,107,825	2,447,530	1,322,590
	5,792,766		*1,322,590*	*1,219,071*	*2,447,530*	*3,448,755*
Natural Resources —						
Environmental Studies Research Fund	4,701,394	118,157		163,930	1,121,116	3,534,505
Public Works and Government Services —						
Seized Property Proceeds Account	39,418,692	29,956,702		50,406,172		18,969,222
Transport —						
Fines for the Transportation of Dangerous Goods	514,074					514,074
Total other consolidated specified purpose accounts	315,551,909	41,195,478	1,625,102	53,520,087	4,230,447	300,621,955
Endowment principal —						
Environment —						
Parks Canada Agency —						
Mackenzie King trust account	225,000					225,000
Health —						
Canadian Institutes of Health Research — Endowments for Health Research	140,267					140,267
Industry —						
National Research Council of Canada —						
H.L. Holmes Fund	4,880,263	125,626				5,005,889
W.G. Schneider Fund	30,000					30,000
Social Sciences and Humanities Research Council —						
Queen's Fellowship Fund	250,000					250,000
	5,160,263	*125,626*				*5,285,889*
Total endowment principal	5,525,530	125,626				5,651,156
Total	(1,720,545,692)	22,669,799,610	405,199,898	18,342,913,603	1,475,382,885	1,536,157,328

Insurance Accounts

For the following Insurance Accounts, revenues and other credits from outside parties totalled $22,628 million ($21,917 million in 2014) while expenses and other debits to outside parties totalled $18,289 million ($17,506 million in 2014) and are reported as expenses in the Consolidated Statement of Operations and Accumulated Deficit.

Revenues and other credits of $404 million ($401 million in 2014) and expenses and other debits of $1,471 million ($1,495 million in 2014) internal to the operations of the Government, have been eliminated in order to present transactions with outside parties.

Crop Reinsurance Fund

This Fund, continued in the accounts of Canada pursuant to subsection 13(1) of the *Farm Income Protection Act*, provides insurance to participating provinces for deficits they might incur in their agriculture insurance funds. The Crop Reinsurance Fund currently operates under the authority of the *Farm Income Protection Act*.

The revenues of the Fund come from a percentage of total premiums collected by provinces for the purpose of insurance of agricultural production. Both the amount of revenue collected and expenditures from the Crop Reinsurance Fund paid to provinces are subject to the terms of reinsurance agreements. When there are insufficient revenues in the Crop Reinsurance Fund to make payments, the Minister of Finance may authorize an advance of additional funds to cover these obligations. These advances are recovered from future revenues. Currently, the interest rate earned on surpluses in the Crop Reinsurance Fund and the interest rate charged to advances to the Fund have been set by the Department of Finance at zero percent.

Agricultural Commodities Stabilization Accounts

The purpose of these accounts was to reduce income loss to producers from market risks through stabilizing prices. Premiums were shared equally by the Government of Canada, the governments of participating provinces and participating producers.

These accounts are continued in the accounts of Canada pursuant to subsection 16(2) of the *Farm Income Protection Act*. Current activities are limited to collection of accounts receivable. The *Agricultural Stabilization Act*, under which the commodity accounts formerly operated, has been repealed and replaced by the *Farm Income Protection Act* effective April 1, 1991.

Employment Insurance Operating Account

The Canada Employment Insurance Commission (the Commission), a departmental corporation named in Schedule II to the *Financial Administration Act*, administers the *Employment Insurance Act* (the Act). The Commission is co-managed by the Government, workers and employers. The objective of the Act is to provide short-term financial relief and other assistance to eligible workers. The financial transactions relating to this objective are reported through the Employment Insurance Operating Account.

The Employment Insurance Operating Account (the Account) was established in the accounts of Canada by the Act. All amounts received under the Act are deposited in the Consolidated Revenue Fund and credited to the Account. The benefits and the costs of administration of the Act are paid out to the Consolidated Revenue Fund and charged to the Account.

Employee premium rate for each $100 of insurable earnings was $1.88 from January 1, 2014 to December 31, 2014 for employees without a Provincial Parental Insurance Plan and $1.53 for the others. From January 1, 2015 to March 31, 2015, the rate was $1.88 for employees without a Provincial Parental Insurance Plan and $1.54 for the others.

Table 4.7 presents a statement of the transactions in the Employment Insurance Operating Account.

Table 4.7
Transactions in the Employment Insurance Operating Account

(in millions of dollars)

	2014-2015	2013-2014
Revenues		
Premiums —		
Employers and employees [1]	22,962	22,160
Penalties and interest revenue	53	68
	23,015	22,228
Expenses		
Benefits	16,121	15,429
Transfers to the provinces — Part II	1,931	1,872
Administration costs	1,466	1,492
Administration cost transferred to provinces	191	190
Bad debts	50	16
	19,759	18,999
Net change	3,256	3,229
Balance at beginning of year	(2,734)	(5,963)
Balance at end of year	522	(2,734)

[1] The difference between premium revenue presented here and the amount presented in the Government of Canada consolidated financial statements is due to the elimination on consolidation of premiums incurred by the Government of Canada, for an amount of $398 million ($394 million in 2014).

Investors' Indemnity Account

Section 57 of the *Financial Administration Act* provides for this account, and for the crediting thereto of the sum of $25,000, such further amounts as are appropriated by Parliament for the purpose of this section, and any recovery of losses referred to in section 58 of the Act. This sum was increased to $50,000 by Treasury Board Submission No. 817667 dated December 12, 1991.

Section 58 of the Act states that the Minister may, in accordance with and subject to regulations, pay out of the account, any losses sustained by subscribers for Government securities, who have paid all or part of the purchase price but have not received the security or repayment of the amount so paid, and losses sustained by any person in the redemption of securities.

Health Insurance Supplementary Account

This account was established pursuant to Vote L16b, *Appropriation Act No. 2, 1973*, to record payments in respect of persons who, through no fault of their own, have lost or been unable to obtain coverage for the insured health services under the *Canada Health Act*, and in accordance with the Federal-Provincial Agreement on Eligibility and Portability. Contributions are made by all provinces to the account in proportion to population and are matched by the Federal Government.

Nuclear Liability Reinsurance Account

This account was established pursuant to sections 16 and 17 of the *Nuclear Liability Act*, to record premiums and to provide for payment of claims arising from accidents at an insured facility.

Ship-Source Oil Pollution Fund

This account was established pursuant to subsection 2001, c.6 of the *Marine Liability Act* (previously the *Canada Shipping Act*), to record levy tonnage payments for oil carried by ships in Canadian waters. Maritime pollution claims, the fee of the Fund Administrator, and related oil pollution control expenses, are to be financed out of the Fund.

Other Consolidated Specified Purpose Accounts

For the following Other Consolidated Specified Purpose Accounts, revenues and other credits from outside parties of $41 million ($38 million in 2014) are reported while expenses and other debits to outside parties of $54 million ($47 million in 2014) are reported in the Consolidated Statement of Operations and Accumulated Deficit.

Revenues and other credits of $2 million ($5 million in 2014), and expenses and other debits of $4 million ($2 million in 2014) internal to the operations of the Government, have been eliminated in order to present transactions with outside parties.

Trust Fund

This account was established at the creation of the National Battlefields Commission for the purpose of acquiring various properties for the development of the park. The funds are received by way of private contributions, from municipal corporations, provincial governments and others, and deposited for the purposes of the Commission, as prescribed for in its incorporation Act. Following the land acquisitions of the Commission, funds remained in the account and increased over a period of years as a result of interest earned, while the Commission was listed in Schedule C of the *Financial Administration Act*, prior to September 1, 1984.

Court Award Deposits — Other than Environmental Damages Fund

This account was established for the management of court orders/awards or other financial compensation to Environment Canada that are not under the legal authority of the Environmental Damages Fund.

Environmental Damages Fund

This account was established for the management of court orders/awards or other financial compensation to Environment Canada for damages to the environment.

New Parks and Historic Sites Account

This account was established pursuant to the *Parks Canada Agency Act* to record payments to be used to acquire lands or property required to establish any national park, national historic site or other protected heritage area that has not yet attained full operation status, and to make any related contributions.

Canadian Commercial Bank and Northland Bank Holdback Account

This account was established to record the amount held from the recovery of monies received from the winding up of Canadian Commercial Bank and Northland Bank.

During the fiscal year, no claims have been received for potential payments from the holdback.

Supplementary Fines Account — *Species at Risk Act*

The account was established to record the deposit of funds received from persons declared guilty of offences under the *Species at Risk Act*, under paragraph 105(*h*) of the Act.

Supplementary Fish Fines Account

The account was established to record the deposit of funds received from persons declared guilty of offences under the *Fisheries Act*, under paragraph 79(2)(*f*) of the Act.

Cleanup costs for environmental damage caused by Bowater

This account was established pursuant to a decision of the Commercial Division of the Superior Court in the Province of Quebec. The balance in the account is to be used to finance the remediation of environmental damage caused by Bowater Canadian Forest Products Inc. relative to a land lease issued by the Department of Indian Affairs and Northern Development.

Environmental Studies Research Fund — Indian Affairs and Northern Development

This account was established pursuant to subsection 76(1) of the *Canada Petroleum Resources Act*. The purpose of the Fund is to finance environmental and social studies pertaining to the manner in which, and the terms and conditions under which, exploration development and production activities on frontier lands, authorized under this Act or any other Act of Parliament, should be conducted.

Environmental Studies Research Fund — Natural Resources

This account was established pursuant to subsection 76(1) of the *Canada Petroleum Resources Act*. The purpose of the Fund is to finance environmental and social studies pertaining to the manner in which, and the terms and conditions under which, exploration development and production activities on frontier lands, authorized under this Act or any other Act of Parliament, should be conducted.

Seized Property Proceeds Account

This account was established, pursuant to section 13 of the *Seized Property Management Act*, to record the net proceeds received from the disposition of seized and forfeited properties to Her Majesty or fines imposed and also funds received from the government of foreign states pursuant to agreements for the purpose of the Act. The Act also provides that the following be charged to the Account: operating expenses incurred in carrying out the purpose of the Act, amounts paid as a result of claims and repayments of advances from the Minister of Finance, interest on drawdown from Seized Property Working Capital Account and distribution of the proceeds to the relevant jurisdictions and the Consolidated Revenue Fund.

Fines for the Transportation of Dangerous Goods

This account was established, pursuant to the *Transportation of Dangerous Goods Act, 1992* and related regulations, to record fines levied by courts.

Endowment Principal

For the following Endowment Principal Accounts, revenues and other credits from outside parties of $126,000 ($98,000 in 2014) are reported in the Consolidated Statement of Operations and Accumulated Deficit.

Mackenzie King trust account

The late The Right Hon W L Mackenzie King bequeathed Laurier House, Ottawa, and the sum of $225,000, to the Government of Canada. The amount of $225,000 was credited to the account and earns interest, in accordance with the terms of section 3 of the *Laurier House Act*. The interest is to be used to assist in the maintenance of the Laurier House, which is to be preserved as a place of historic interest, and also to provide accommodation for study and research.

Endowments for Health Research

This account was established by section 29 of the *Canadian Institutes of Health Research Act* to record various endowments received from donors for the purpose of health research. The interest received is used for the payment of research grants.

H.L. Holmes Fund

This account was established, pursuant to paragraph 5(1)(*f*) of the *National Research Council Act*, to record the residue of the estate of H.L. Holmes. Up to two thirds of the yearly net income from the fund shall be used to finance the H.L. Holmes Award on an annual basis. These awards will provide the opportunity to post-doctoral students to study at world famous graduate schools or research institutes under outstanding research persons.

W.G. Schneider Fund

This account was established pursuant to paragraph 5(1)(*f*) of the *National Research Council Act*, to record the residue of the estate of W.G. Schneider. The yearly net income from the fund shall be used to finance the Schneider Medal. This award recognizes employees who have made outstanding contributions to the National Research Council.

Queen's Fellowship Fund

This fund is an endowment of $250,000 that was established by Vote 45a, *Appropriation Act No. 5, 1973-74*. The interest earned is used for the payment of fellowships to graduate students in certain fields of Canadian studies.

Supplementary Statement

Employment Insurance Operating Account

Management's Responsibility for Financial Statements

The financial statements of the Employment Insurance Operating Account are prepared in accordance with Canadian public sector accounting standards by the management of Employment and Social Development Canada (ESDC). Management is responsible for the integrity and objectivity of the information in the financial statements, including the amounts which must, of necessity, be based on best estimates and judgement. The significant accounting policies are identified in Note 2 to the financial statements.

To fulfill its accounting and reporting responsibilities, management has developed and maintains books of account, financial and management controls, information systems and management practices. These systems are designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Employment Insurance Act* and regulations, as well as the *Financial Administration Act* and regulations.

The Auditor General of Canada, the external auditor of the Employment Insurance Operating Account, conducts an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards and provides a report to the Minister of Employment and Social Development.

The financial statements of the Employment Insurance Operating Account are an integral part of the *Public Accounts of Canada*, which are tabled in the House of Commons and are referred to the Standing Committee on Public Accounts for examination purposes.

Ian Shugart
Chairperson of the Canada
Employment Insurance Commission

Alain P. Séguin, MBA, CPA, CGA
Chief Financial Officer
Employment and Social Development Canada

Gatineau, Canada
September 1st, 2015

Employment Insurance Operating Account — *Continued*

Independent Auditor's Report

To the Minister of Employment and Social Development

I have audited the accompanying financial statements of the Employment Insurance Operating Account, which comprise the statement of financial position as at 31 March 2015, and the statement of operations and accumulated surplus (deficit), statement of change in net financial assets (net debt) and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Employment Insurance Operating Account as at 31 March 2015, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Michael Ferguson, CPA, CA
FCA (New Brunswick)
Auditor General of Canada

1 September 2015
Ottawa, Canada

Employment Insurance Operating Account — *Continued*

Statement of Financial Position
as at March 31

(in thousands of dollars)

	2015	2014
Financial assets		
Premiums receivable	1,823,656	1,576,278
Due from claimants (Note 3)	712,477	726,816
Amounts receivable from Canada — Administration costs		16,302
	2,536,133	2,319,396
Liabilities		
Due to Receiver General for Canada	1,401,786	4,649,687
Benefits payable	536,613	365,480
Amounts payable (Note 4)	76,028	37,960
	2,014,427	5,053,127
Net financial assets (net debt) and accumulated surplus (deficit)	**521,706**	**(2,733,731)**

Contractual obligations (Note 11)
Contingent liabilities (Note 12)
The accompanying notes and schedules are an integral part of these financial statements.

Approved by:

Ian Shugart

Chairperson of the Canada
Employment Insurance Commission

Alain P. Séguin, MBA, CPA, CGA

Chief Financial Officer
Employment and Social Development Canada

Employment Insurance Operating Account — *Continued*

Statement of Operations and Accumulated Surplus (Deficit) for the year ended March 31

(in thousands of dollars)

	2015 Budget (Note 6)	2015 Actual	2014 Actual
Revenues			
Premiums (Note 7)	23,061,000	22,962,274	22,160,249
Penalties (Note 3)	60,000	39,666	40,987
Interest on overdue accounts receivable (Note 3)	21,000	12,786	25,689
	23,142,000	23,014,726	22,226,925
Expenses			
Benefits and support measures (Schedule I)			
Income benefits (Note 8)	16,105,000	16,235,790	15,520,231
Transfers to provinces and territories related to Labour Market Development Agreements	1,950,000	1,930,727	1,872,026
Support measures	127,000	116,096	115,267
Benefits repayments from higher income claimants	(215,000)	(230,430)	(206,923)
Administration costs (Note 9)	1,591,000	1,657,055	1,680,198
Bad debts	65,000	50,051	16,396
	19,623,000	19,759,289	18,997,195
Net surplus for the year	3,519,000	3,255,437	3,229,730
Accumulated deficit at the beginning of the year	(2,733,731)	(2,733,731)	(5,963,461)
Accumulated surplus (deficit) at the end of the year	**785,269**	**521,706**	**(2,733,731)**

The accompanying notes and schedules are an integral part of these financial statements.

Statement of Change in Net Financial Assets (Net Debt) for the year ended March 31

(in thousands of dollars)

	2015 Budget (Note 6)	2015 Actual	2014 Actual
Net surplus for the year	**3,519,000**	**3,255,437**	**3,229,730**
Net debt at beginning of year	**(2,733,731)**	**(2,733,731)**	**(5,963,461)**
Net financial assets (net debt) at end of year	**785,269**	**521,706**	**(2,733,731)**

Employment Insurance Operating Account — *Continued*

Statement of Cash Flow for the year ended March 31

(in thousands of dollars)

	2015	2014
Operating activities		
Cash receipts:		
Premiums	22,714,896	22,049,031
Recoveries of benefit overpayments and penalties	302,190	319,000
Benefits repayments received from higher income claimants	208,336	210,142
	23,225,422	22,578,173
Cash payments:		
Income benefit	(16,327,014)	(16,030,501)
Transfers to provinces and territories related to Labour Market Development Agreements	(1,930,727)	(1,872,026)
Support measures	(111,187)	(116,073)
Administration costs	(1,608,593)	(1,733,069)
	(19,977,521)	(19,751,669)
Net change in due to Receiver General for Canada	**3,247,901**	**2,826,504**
Due to Receiver General for Canada		
Beginning of year	(4,649,687)	(7,476,191)
End of year	**(1,401,786)**	**(4,649,687)**

The accompanying notes and schedules are an integral part of these financial statements.

Employment Insurance Operating Account — *Continued*

Notes to the Financial Statements for the year ended March 31, 2015

1. Authority, objective and responsibilities

The Canada Employment Insurance Commission (the Commission), a departmental corporation named in Schedule II to the *Financial Administration Act*, administers the *Employment Insurance Act* (the Act). The Commission is co-managed by the Government, workers and employers. The objective of the Act is to provide short-term financial relief and other assistance to eligible workers. The financial transactions relating to this objective are reported through the Employment Insurance Operating Account.

The Employment Insurance Operating Account (the Account) was established in the accounts of Canada by the Act. All amounts received under the Act are deposited in the Consolidated Revenue Fund and credited to the Account. The benefits and the costs of administration of the Act are paid out of the Consolidated Revenue Fund and charged to the Account.

The Department of Employment and Social Development Canada (ESDC) is responsible for the delivery of the Employment Insurance program and the day-to-day administration of the Account, on behalf of the Commission.

The Minister of National Revenue is responsible for collecting premiums from employers and employees, and for administering and enforcing the provisions of the Act relating to benefit repayments receivable from higher income claimants.

The Act authorizes the Government of Canada to enter into Labour Market Development Agreements with each province and territory on the design and delivery of the active employment benefits and support measures contained in the Act. Agreements with full responsibility to the provinces and territories for delivering the active employment benefits and support measures have been implemented with all provinces and territories.

The Act also authorizes the Government of Canada to enter into a premium reduction agreement with a province, to allow for a regulatory scheme to make the necessary adjustments and modifications to the Act. This is required to harmonize it with a provincial law that has the effect of reducing or eliminating the special benefits payable under the Act.

2. Significant accounting policies

The Account is a component of the Government of Canada reporting entity. In this context, its operations are consolidated with those of the Government and are presented in the financial statements of the Government of Canada.

(a) Basis of accounting

These financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS).

(b) Premiums

Premiums are recognized as revenue in the period in which they are earned, when workers, through their employment, generate these premiums and the related employer's contribution. Premiums earned in the period are measured from amounts assessed by the Canada Revenue Agency (CRA) and from estimates of amounts not assessed. Premium revenue also includes adjustments between actual and estimated premiums of previous years.

(c) Benefits and support measures

Benefits and support measures include income benefits (or benefits under Part I of the Act) and employment benefits and support measures (benefits under Part II of the Act). Those benefits expenses are recorded when the recipients become entitled to the benefits. An estimate of the benefits earned by the recipients related to the current fiscal year but not yet paid is recorded as benefits payable. This estimate is based on actual payments made subsequent to year-end.

Income benefits provide temporary income support to claimants, including self-employed fishers, while they look for work. This includes work-sharing agreements for temporary work shortages. It also includes special benefits such as maternity, parental, sickness and compassionate care benefits. Income benefits expenses represent the amounts paid and payable to claimants for the period relating to the fiscal year, based on the weeks the claimants were entitled to the payments. Overpayments established during the year are deducted from these expenses.

Support measures provide financial assistance, through government transfers, to eligible persons to help them re-integrate into the labour market and to third parties to help them provide employment assistance services to unemployed workers and employed persons if they are facing a loss of their employment. These expenses include the direct costs of financial and employment assistance programs and related measures provided to eligible persons and third parties. Government transfers are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement and the transfer is authorized.

Transfer payments to the provinces and territories under the Labour Market Development Agreements are made pursuant to Section 63 of the Act. Similar to the employment benefits and support measures, these transfer payments are recorded as expenditures in the year in which the provinces/territories met the eligibility criteria and the transfers are authorized. Overpayments to provinces and territories are recovered and recorded in reduction of expenses.

Claimants with higher income levels than those stated in the Act have to repay benefits received. Benefit repayments received and the estimated benefit repayments receivable are assessed by the CRA based on tax returns assessed and an estimate of tax returns not yet assessed.

(d) Administration costs

Administration costs are accounted for and charged to the Account in accordance with various memoranda of understanding.

(e) Due to Receiver General for Canada

The Account operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by and credited to the Account is deposited to the CRF, and all cash disbursements made by and charged to the Account are paid from the CRF. The due to Receiver General for Canada is the difference between all cash receipts and all cash disbursements, including transactions with departments of the Government.

(f) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires that management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and revenues and expenses during the reporting period. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant estimates are related to premiums, administration costs, benefit repayments, allowances for doubtful accounts, estimated overpayments and underpayments of benefits disclosed in Note 8, contingent liabilities and the amounts presented in Schedule II. Actual results could differ significantly from those estimates.

3. Due from claimants

	2015	2014
	(in thousands of dollars)	
Benefit overpayments and interests receivable	559,516	560,786
Amount of penalties and interests receivable	130,688	126,168
	690,204	686,954
Less: allowance for doubtful accounts	321,756	282,073
	368,448	404,881
Estimated benefit repayments receivable from higher income claimants	344,029	321,935
	712,477	726,816

The Commission detects overpayments on claims processed during the current and preceding years. These overpayments are accounted for by reducing the benefit expenses during the year in which they are established. During the year, overpayments totalling $263 million were established ($302 million in 2013-2014).

The Commission may also impose penalties on a claimant or an employer when it becomes aware that information they have provided is false or misleading. The Act sets the maximum amounts that may be imposed in these cases. During the year, the Commission imposed penalties totalling $40 million ($41 million in 2013-2014).

During 2014-2015, the Commission recovered $266 million ($277 million in 2013-2014) of benefit overpayments and $36 million ($42 million in 2013-2014) of penalties. Uncollectible benefit overpayments and penalties written off during the year amounted to $8 million and $2 million respectively ($52 million and $18 million in 2013-2014).

Employment Insurance Operating Account — *Continued*

Notes to the Financial Statements for the year ended March 31, 2015 — *Continued*

In accordance with Treasury Board regulations, the Account charges interest on outstanding employment insurance debts caused through misrepresentation and on penalties.

	2015	2014
	(in thousands of dollars)	
Interest on overpayments	9,416	19,018
Interest on penalties	3,370	6,671
	12,786	25,689

The Commission establishes an allowance for doubtful accounts by aging the balance of the accounts receivable outstanding and by applying varying percentages based on past recovery experience to the aging categories so determined.

4. Amounts payable

	2015	2014
	(in thousands of dollars)	
To Canada		
Administration costs	32,277	
Federal tax deductions from benefits	30,188	25,051
Other deductions from benefits	1,791	1,472
Amounts payable related to Labour Market Development Agreements	5,868	5,985
	70,124	32,508
To provinces		
Quebec tax deductions from benefits	4,803	4,028
Other deductions from benefits	1,101	1,424
	5,904	5,452
	76,028	37,960

5. Financial instruments

The fair values of the premiums receivable, due from claimants, amounts receivable from Canada, benefits payable and amounts payable are considered by management to be comparable to their carrying values because of the short term maturity of these instruments. All of these financial instruments arose in the normal course of business.

6. Comparison of results against budget

The budget amounts included in the Statement of Operations and Accumulated Surplus (Deficit) and the Schedule I — Benefits and Support Measures, are part of the amounts reported in the Employment and Social Development Canada's future oriented consolidated financial statements included in the 2014-2015 Report on Plans and Priorities.

7. Premiums

Premiums for the fiscal year are measured by the Canada Revenue Agency (CRA) based on amounts assessed and reassessed at the time of preparation of its financial statements and an estimate of premiums earned in the period but not yet assessed or reassessed.

Premiums revenue includes an estimate of premiums earned in the fiscal year but not yet assessed or reassessed at the time of preparation of the financial statements. Fiscal year 2014-2015 includes $8,120 million in forecasted premium revenues for the 3-month period from January to March 2015 ($7,845 million in 2014), or approximately 34.59 percent (34.60 percent in 2014) of the total forecast premium revenues of $23,472 million for calendar year 2015 ($22,675 million for 2014), net of reductions and refunds. This estimate is based on the forecasted total insurable earnings of $567,785 million in calendar year 2015 ($555,548 million in 2014). The total insurable earnings forecasts are mainly dependent upon the projected growth in both employment (0.74 percent in 2015 and 1.47 percent in 2014) and average wages (2.58 percent in 2015 and 2.35 percent in 2014).

Employment Insurance Operating Account — *Continued*

Notes to the Financial Statements for the year ended March 31, 2015 — *Continued*

A variation in these assumptions would have an impact on the total insurable earnings forecasted and consequently, forecasted premium revenues. The sensitivity analysis below was determined based on changes to the respective assumptions while holding all other assumptions constant:

		Forecasted Premium Revenues
Variable	Variation	January-March 2015
Employment growth	+/- 0.1%	+/- 8 million
Average Wages	+/- 0.1%	+/- 3 million

Actual premium revenue for calendar years 2014 and 2015 will only be known once the CRA has processed all employer declarations of premiums for these years. An adjustment for the difference between actual and estimated premiums will be recorded in the fiscal year in which the actual assessment or reassessment results are known. The difference between estimated and actual premiums revenues for calendar year 2013, as known at the time of the preparation of the financial statements and included in these financial statements is a decrease in revenues of $28 million ($59 million increase for calendar year 2012 in 2013-2014 financial statements).

For the following calendar years, premium rates for each $100 of insurable earnings were set under Section 66 of the Act at :

	2015	2014	2013
		(in dollars)	
Residents of provinces without a Provincial Plan			
For employees	1.88	1.88	1.88
For employers (calculated at 1.4 times the employee rate)	2.63	2.63	2.63
Residents of provinces with a Provincial Plan			
For employees	1.54	1.53	1.52
For employers (calculated at 1.4 times the employee rate)	2.16	2.14	2.13

The annual maximum insurable earnings for 2015 is $49,500 ($48,600 in 2014 and $47,400 in 2013).

8. Estimated overpayments and underpayments of benefits

Given the large volume of claims and the need for prompt service, the Commission applies a risk-based approach to its control procedures. The verification of claims is conducted both prior to and after claimants have begun to receive benefits, using a combination of up-front and automated control measures and post-payment verification activities.

In order to measure the accuracy of benefit payments, the Commission has a program in place which establishes an annual payment accuracy rate and estimates, through statistical extrapolation, the most likely value of incorrect benefit payouts. For benefits paid during the twelve months ended March 31, 2015, these undetected overpayments and underpayments are estimated to be $624 million and $145 million respectively ($589 million and $157 million in 2013-2014). The annual payment accuracy rate (which is comprised of three error sources: claimant, employer and administrative) and estimated value of errors are used by the Commission to assess the quality of decisions and the need, if any, to improve its systems and practices of processing claims.

The overpayments established during the year, as indicated in Note 3, are not directly linked to the above noted estimated overpayments and underpayments of benefits for the same period.

Employment Insurance Operating Account — *Continued*

Notes to the Financial Statements for the year ended March 31, 2015 — *Continued*

9. Administration costs

The administration costs of the Act are primarily based on a formula allocating the expenses between Employment and Social Development Canada and the Account. The expense allocation formula takes into consideration the source of funding, from the Account or from the Consolidated Revenue Fund. In addition, the administration costs incurred by the provinces and the territories to administer the Labour Market Development Agreements are included in the administration costs for the year based on provisions in the agreements.

Various functions executed by CRA on behalf of the Account such as collection of premiums, rulings, etc. are charged based on a memorandum of understanding updated annually.

	2015	2014
	(in thousands of dollars)	
Program policy and delivery, accommodation and corporate services, including cheque issue	370,460	386,306
Personnel related costs, including the Health Insurance Plan	883,027	898,729
Collection of premiums and rulings	212,268	208,921
Administrative services related to courts/tribunal	5,077	939
Administration costs incurred by provinces and territories under the Labour Market Development Agreements	190,957	189,708
	1,661,789	1,684,603
Deduct: recovery of costs for maintaining the social insurance number registry and issuing replacement cards	4,734	4,405
	1,657,055	1,680,198

10. Related party transactions

The Account is a component of the Government of Canada reporting entity and is therefore related to all departments, agencies and Crown corporations. The Account enters into transactions with these entities in the normal course of operations, which are recorded at the exchange value.

	2015	2014
	(in thousands of dollars)	
Employment and Social Development Canada		
Program policy and delivery, accomodation and corporate services, including cheque issue	370,460	386,306
Personnel related costs	823,922	838,832
	1,194,382	1,225,138
Canada Revenue Agency		
Collection of premiums and rulings	212,268	208,921
Treasury Board Secretariat		
Health Insurance Plan	59,105	59,897
Administrative Tribunals Support Service of Canada		
Social Security Tribunal	4,350	
Courts Administration Services		
Courts Administration Services	727	939
	1,470,832	1,494,895
Deduct: recovery of costs for maintaining the social insurance number registry and issuing replacement cards	4,734	4,405
	1,466,098	1,490,490

Employment Insurance premiums include the employer's share of premiums paid by the federal government of $398 million ($394 million in 2013-2014).

11. Contractual obligations

The nature of the Account activities can result in some large multi-year agreements whereby the Account will be obligated to make future payments in order to carry out its transfer payment programs. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2016	2017	2018	2019	2020 and thereafter	Total
			(in thousands of dollars)			
Labour Market Development Agreements	2,141,380					2,141,380
Other transfer payments	110,273	10,632	416			121,321
Total	**2,251,653**	**10,632**	**416**			**2,262,701**

Labour Market Development Agreements with eight of the provinces and territories require a two year notice for cancellation of the agreements. The obligations for 2017 cannot be reasonably estimated.

12. Contingent liabilities

In the normal course of the operations of the Account, numerous appeals against or by the Commission are presently outstanding. The outcome of these appeals is not presently determinable. Any claims resulting from the resolution of these appeals will be accounted for as an expense in the period in which the claim will be determinable. However, in the opinion of management, the result of these appeals should not have a significant impact on the operations of the Account.

In 2011-2012, a class action was filed with the Federal Court seeking damages of $450 million plus interest. The representative plaintiff alleges that she was improperly denied sickness benefits for an illness, injury or disability suffered while on parental leave, despite an amendment in 2002 to the *Employment Insurance Act*. The outcome of this claim is not determinable at this time.

13. Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation.

Employment Insurance Operating Account — *Continued*

Schedule I — Benefits and Support Measures for the year ended March 31

(in thousands of dollars)

	2015	2015	2014
	Budget (Note 6)	Actual	Actual
Part I — Income benefits			
Regular	10,833,000	10,885,655	10,497,792
Fishing	268,000	276,198	259,092
Work-sharing	25,000	18,128	21,088
	11,126,000	11,179,981	10,777,972
Special benefits			
Parental	2,527,000	2,549,601	2,390,382
Sickness	1,333,000	1,357,369	1,271,563
Maternity	1,077,000	1,090,629	1,031,061
Adoption		21,159	21,620
Compassionate care	13,000	12,729	11,879
Self-employment	9,000	9,054	8,314
Parents of critically-ill children	20,000	15,268	7,440
	4,979,000	5,055,809	4,742,259
Income benefits total	**16,105,000**	**16,235,790**	**15,520,231**
Less: benefit repayments from higher income claimants	215,000	230,430	206,923
Part I Total	**15,890,000**	**16,005,360**	**15,313,308**
Part II — Employment benefits and support measures			
Employment benefits			
Transfer payments to provinces and territories related to Labour Market Development Agreements	1,950,000	1,930,727	1,872,026
Support measures			
Labour market partnerships		112,657	113,308
Research and innovation		3,439	1,959
	127,000	116,096	115,267
Part II Total	**2,077,000**	**2,046,823**	**1,987,293**
Total Benefits and support measures	**17,967,000**	**18,052,183**	**17,300,601**

Benefit rates — Income benefits

The rates for income benefits are set on a calendar year basis. The maximum rate is $524 per week for the period from January to December 2015, and $514 per week for January to December 2014 ($501 per week for 2013). Benefits are paid at the lesser of 55 percent of average insurable earnings and the maximum rate. For claimants who are in a low-income family with children, the rate may be increased up to the lessor of 80 percent of average insurable earnings and the maximum rate.

Employment Insurance Operating Account — *Concluded*

Schedule II — Statement of Operations and Accumulated Deficit for the period of January 1st to December 31st

(in thousands of dollars)

	2014	2013
Revenues		
Premiums	22,800,907	21,618,650
Penalties	38,971	47,234
Interest on overdue accounts receivable	25,062	29,244
	22,864,940	21,695,128
Expenses		
Income benefits and support measures	15,989,386	15,367,921
Transfers to provinces and territories related to Labour Market Development Agreements	1,929,977	1,872,026
Benefits repayments from higher income claimants	(226,652)	(186,692)
Administration costs	1,663,134	1,708,221
Bad debts	41,637	11,548
	19,397,482	18,773,024
Net surplus for the period	3,467,458	2,922,104
Accumulated deficit at the beginning of the period	(5,201,480)	(8,123,584)
Accumulated deficit at the end of the period	**(1,734,022)**	**(5,201,480)**

The estimates provided in this Schedule for calendar year 2014, which is prepared in accordance with Canadian public sector accounting standards, are used by the Government of Canada to establish the Employment Insurance premium rate for the following calendar year. The mechanism for setting the Employment Insurance premium rate is designed to ensure that revenues and expenditures break even over time.

Section 5

2014-2015

Public Accounts of Canada

Accounts Payable and Accrued Liabilities

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Accounts Payable and Accrued Liabilities

This section contains information on accounts reported on the Consolidated Statement of Financial Position under "Accounts Payable and Accrued Liabilities". The establishment and operation of these accounts are authorized by Parliament in annual appropriation acts and other legislation. In many cases, these accounts represent accounts payable, accruals and allowances set up at year end under the authority granted to the President of the Treasury Board under the *Financial Administration Act*.

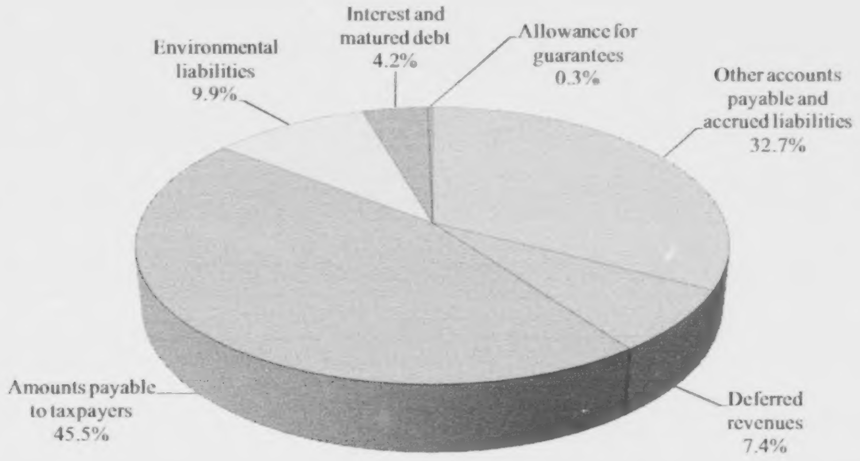
Table 5.1 presents the year-end balances of accounts payable and accrued liabilities by category. Chart 5A presents accounts payable and accrued liabilities by category at March 31.

Most tables in this section present the continuity of accounts, by showing the opening and closing balances. A narrative description is provided for accounts reported in some tables. Such descriptions follow the same presentation order as their respective tables.

Table 5.1
Accounts Payable and Accrued Liabilities

	March 31, 2015	March 31, 2014
	$	$
Other accounts payable and accrued liabilities, Table 5.2	40,420,315,646	38,095,993,329
Deferred revenues, Table 5.5	9,160,139,012	3,920,481,680
Amounts payable to taxpayers, Table 5.6	56,198,271,060	52,599,528,565
Environmental liabilities, Table 5.7	12,296,144,709	11,143,067,618
Interest and matured debt, Table 5.9	5,239,435,185	5,584,843,922
Allowance for guarantees	317,111,364	385,985,906
Total	123,631,416,976	111,729,901,020

Chart 5A
Accounts Payable and Accrued Liabilities by category at March 31, 2015



Other Accounts Payable and Accrued Liabilities

Other accounts payable and accrued liabilities includes accounts payable, accrued salaries and benefits, notes payable to international organizations, the provincial, territorial and Aboriginal tax agreements account, miscellaneous paylist deductions and other accounts.

Table 5.2 presents a summary of the balances for the accounts in this category of accounts payable and accrued liabilities.

Table 5.2
Other Accounts Payable and Accrued Liabilities

	March 31, 2015	March 31, 2014
	$	$
Accounts payable	31,224,159,839	31,354,305,218
Add: consolidation adjustment [1]	3,204,458,020	2,418,773,587
	34,428,617,859	*33,773,078,805*
Accrued salaries and benefits	3,653,603,294	2,545,043,223
Notes payable to international organizations, Table 5.3	34,440,123	471,669,652
Provincial, territorial and Aboriginal tax agreements account, Table 5.4	1,546,959,912	596,288,933
Miscellaneous paylist deductions	142,683,677	49,894,012
Other	614,010,782	660,018,704
Total	40,420,315,646	38,095,993,329

(1) Additional information on the consolidated Crown corporations and other entities is provided in Section 4 of this volume.

Accounts payable

This account records amounts owing at year end pursuant to contractual arrangements, or for work performed, goods received, or services rendered, accrued amounts to be paid from appropriations and statutory authorities, and accrued financial obligations of consolidated Crown corporations and other entities.

Accrued salaries and benefits

This account records salaries and wages owing at year end, amounts owing for earned and unpaid annual vacation leave and compensation time, and other accrued amounts relating to unpaid or retro-active salaries.

Notes Payable to International Organizations

Share capital subscriptions, loans and advances are made to international organizations using cash, notes payable, or both, that are later presented for encashment according to terms of agreements These demand notes are non-interest bearing and are non-negotiable. The subscriptions, loans and advances are recorded as assets and details are reported in Table 9.13 (Section 9 of this volume).

Table 5.3 presents the balances and transactions for the notes payable.

Table 5.3
Notes Payable to International Organizations

		Receipts and other credits		Payments and other charges		
	April 1, 2014	Note issuances	Revaluation [1]	Note encashment	Revaluation [1]	March 31, 2015
	$	$	$	$	$	$
Finance						
International Bank for Reconstruction and Development (World Bank)	26,513,065		3,863,641			30,376,706
International Development Association	441,610,000			441,610,000		
Multilateral Investment Guarantee Agency	3,546,587		516,830			4,063,417
Total	471,669,652		4,380,471	441,610,000		34,440,123

(1) Notes denominated in foreign currencies are translated into Canadian dollars at the year-end closing rates of exchange.

Provincial, Territorial and Aboriginal Tax Agreements Account

This account records taxes administered by the Government of Canada on behalf of provinces, territories, and Aboriginal governments, in accordance with agreements entered into by the Minister of Finance pursuant to the *Federal-Provincial Fiscal Arrangements Act* and, in the case of First Nations Goods and Services Tax, pursuant to the *First Nations Goods and Services Tax Act*.

The Government of Canada, as represented by the Minister of Finance, has entered into agreements with all provinces and territories (except Quebec) to collect and administer personal income tax, and with all provinces and territories (except Quebec and Alberta) to collect and administer corporate tax, and to pay amounts assessed in respect thereof in accordance with the agreements.

Agreements have also been entered into with certain Aboriginal governments, to collect First Nations Personal Income Tax as well as First Nations Sales Tax levied on motive fuels, tobacco, and alcohol and First Nations Goods and Services Tax levied on the same range of goods and services as the federal goods and services tax, and to make payments to the respective governments in accordance with the agreements.

This account also records transactions relating to agreements that the Government of Canada has entered into with the provinces of Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island regarding the Harmonized Sales Tax, and payments made to those provinces in accordance with the Comprehensive Integrated Tax Coordination Agreements between the Government of Canada and the provinces. Effective April 1, 2013, the province of British Columbia returned to the provincial sales tax regime.

The *Public Accounts of Canada* reports information on an April to March fiscal year basis, while tax information is generally calculated on a calendar year basis. Transactions related to several tax years can occur during a given fiscal year. For example, during a given fiscal year, payments are made, based on estimates, in respect of two calendar years (April to December and January to March). During this period, it is also necessary to make payments or adjustments related to tax revenues, rebates and credits for previous calendar years. Table 5.4 presents the accumulated balances and the net position of the revenues and the payments made to the provinces and territories for personal income and corporate taxes as well as for First Nations Sales Tax, First Nations Goods and Services Tax, First Nations Personal Income Tax and Harmonized Sales Tax.

Table 5.4

Provincial, Territorial and Aboriginal Tax Agreements Account

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Total Personal Income Tax administered by Canada Revenue Agency	3,379,950,594	61,798,078,194		65,178,028,788
Less: payments to provinces, territories and Aboriginal governments —				
Newfoundland and Labrador			1,310,431,714	1,310,431,714
Prince Edward Island			348,789,480	348,789,480
Nova Scotia			2,316,157,603	2,316,157,603
New Brunswick			1,524,208,016	1,524,208,016
Ontario			31,789,893,865	31,789,893,865
Manitoba			2,957,421,927	2,957,421,927
Saskatchewan			2,508,098,769	2,508,098,769
Alberta			11,276,297,021	11,276,297,021
British Columbia			7,895,093,496	7,895,093,496
Yukon			65,239,751	65,239,751
Northwest Territories			84,965,795	84,965,795
Nunavut			27,680,568	27,680,568
Aboriginal governments			19,452,785	19,452,785
			62,123,730,790	*62,123,730,790*
Total personal income tax on hand	**3,379,950,594**	**61,798,078,194**	**62,123,730,790**	**3,054,297,998**

Table 5.4
Provincial, Territorial and Aboriginal Tax Agreements Account — *Concluded*

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Total Corporate Income Tax administered by Canada Revenue Agency	292,611,089	14,142,719,637		14,435,330,726
Less: payments to provinces and territories —				
Newfoundland and Labrador			303,325,094	303,325,094
Prince Edward Island			48,489,373	48,489,373
Nova Scotia			468,876,449	468,876,449
New Brunswick			239,423,936	239,423,936
Ontario			8,400,777,053	8,400,777,053
Quebec			53,155,869	53,155,869
Manitoba			545,451,686	545,451,686
Saskatchewan			968,282,355	968,282,355
Alberta			68,173,792	68,173,792
British Columbia			2,174,988,244	2,174,988,244
Yukon			24,368,124	24,368,124
Northwest Territories			29,853,078	29,853,078
Nunavut			16,365,921	16,365,921
			13,341,530,974	*13,341,530,974*
Total corporate income tax on hand	**292,611,089**	**14,142,719,637**	**13,341,530,974**	**1,093,799,752**
Total Harmonized Sales Tax administered by Canada Revenue Agency	(3,076,272,750)	25,009,394,306		21,933,121,556
Less: payments to provinces and territories —				
Newfoundland and Labrador			994,390,153	994,390,153
Prince Edward Island			239,713,523	239,713,523
Nova Scotia			1,838,797,723	1,838,797,723
New Brunswick			1,109,083,167	1,109,083,167
Ontario			20,443,797,377	20,443,797,377
British Columbia (1)			(91,522,549)	(91,522,549)
			24,534,259,394	*24,534,259,394*
Total harmonized sales tax on hand	**(3,076,272,750)**	**25,009,394,306**	**24,534,259,394**	**(2,601,137,838)**
Total First Nations Sales Tax administered by Canada Revenue Agency		7,370,951		7,370,951
Less: payments to Aboriginal governments			7,370,951	7,370,951
Total First Nations Sales Tax on hand		**7,370,951**	**7,370,951**	
Total First Nations Goods and Services Sales Tax administered by Canada Revenue Agency		17,122,757		17,122,757
Less: payments to Aboriginal governments			17,122,757	17,122,757
Total First Nations Goods and Services Sales Tax on hand		**17,122,757**	**17,122,757**	
Total	596,288,933	100,974,685,845	100,024,014,866	1,546,959,912

(1) A negative number under the column "Payments and other charges" represents the net recovery of amounts during the year.

Miscellaneous paylist deductions

Deductions from the salaries and wages of certain employees are credited to this account pending transmittal to related outside organizations.

Other

Miscellaneous accounts payable and accrued liabilities such as provincial sales tax collected on sales are recorded in this account.

Deferred Revenues

This account records revenues received before the end of the current fiscal year for which the goods or services are to be delivered or rendered in a subsequent fiscal year. It includes licence fees received for which access to the radio spectrum is being provided in subsequent years. The major deferred revenues of $50 million or more are reported individually. It also presents separately revenues received which have been recorded in a specified purpose account.

Table 5.5 presents the balances and transactions of deferred revenues.

Table 5.5
Deferred Revenues

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Deferred revenues —				
Citizenship and Immigration —				
Service fees for immigration and citizenship	206,356,215	572,477,582	585,130,894	193,702,903
Industry —				
Canadian Intellectual Property Office Revolving Fund	76,719,237	162,674,896	165,951,888	73,442,245
Spectrum licence fees	3,372,381,250	4,928,987,826	948,931,686	7,352,437,390
	3,449,100,487	*5,091,662,722*	*1,114,883,574*	*7,425,879,635*
Other deferred revenues	230,828,553	384,365,094	334,735,396	280,458,251
Consolidated Crown corporations —				
Canadian Commercial Corporation				
Advances from foreign customers		2,663,709,000	1,438,200,000	1,225,509,000
Total	3,886,285,255	8,712,214,398	3,472,949,864	9,125,549,789
Other deferred revenues — Specified purpose accounts —				
Donation and bequest accounts —				
Agriculture and Agri-Food —				
Shared-cost agreements — Research	12,604,020	5,419,617	6,418,993	11,604,644
Canadian Heritage —				
Library and Archives of Canada —				
Special operating account	134,404	1,098,889	575,909	657,384
Employment and Social Development —				
Canadian Centre for Occupational Health and Safety —				
Donations	110,902			110,902
Environment —				
Endangered species — Donations	164,637	771	160,483	4,925
Miscellaneous projects deposits	7,141,322	2,006,644	1,208,153	7,939,813
	7,305,959	*2,007,415*	*1,368,636*	*7,944,738*
Parks Canada Agency —				
Pacific Rim Mitigation Fund	1,250,000		125,000	1,125,000
	8,555,959	*2,007,415*	*1,493,636*	*9,069,738*
Fisheries and Oceans —				
Restricted donations	2,620			2,620
Health —				
Canadian Institutes of Health Research —				
Donations for research	6,742,449	7,384,894	7,618,180	6,509,163
Industry —				
Deposits from Non-Government Organizations	3,292,732	1,286,165	775,671	3,803,226
Prime Minister's Awards	76,680	100,000	75,000	101,680
	3,369,412	*1,386,165*	*850,671*	*3,904,906*
Canadian Space Agency —				
RADARSAT-2	17,505		8,131	9,374
RADARSAT-2 — Data satellite	45,557	1,660,019	1,623,015	82,561
	63,062	*1,660,019*	*1,631,146*	*91,935*
Natural Sciences and Engineering Research Council —				
Trust fund	250		250	
Social Sciences and Humanities Research Council —				
Trust fund	389,354	1,895		391,249
	3,822,078	*3,048,079*	*2,482,067*	*4,388,090*
National Defence —				
Corporate sponsorships and donations	22,344	119,518	101,418	40,444

5 . 6 *Accounts Payable and Accrued Liabilities*

Table 5.5
Deferred Revenues — *Concluded*

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Public Safety and Emergency Preparedness —				
Royal Canadian Mounted Police —				
Civil Remedies Grant Program		71,649	71,649	
Mounted Police Foundation	507,712	111,944	383,620	236,036
Royal Canadian Mounted Police Pipe Band (NCR)	9,714		2,551	7,163
Sponsorship Agreement — Contributions	168,653			168,653
	686,079	*183,593*	*457,820*	*411,852*
Office of the Governor General's Secretary —				
Cost sharing collaborate agreement	23,200	107,835	129,535	1,500
Donations — Rideau Hall	102,185	102,653	93,011	111,827
	125,385	*210,488*	*222,546*	*113,327*
Transport —				
Shared-cost agreements — Transportation research and development	1,229,107	839,915	814,510	1,254,512
Veterans Affairs —				
Restricted donations —				
Canadian Memorial	800			800
Visitor Education Centre, Vimy Memorial		290,000		290,000
Wounded Warrior Fund	32,789		28,552	4,237
	33,589	*290,000*	*28,552*	*295,037*
Total — Donation and bequest accounts	34,068,936	20,602,408	20,213,631	34,457,713
Endowment interest accounts —				
Environment —				
Parks Canada Agency —				
Laurier House — Interest (Mackenzie King trust account)		5,175	5,175	
Health				
Canadian Institutes of Health Research —				
Endowments for Health Research	9,989	1,137		11,126
Industry —				
National Research Council of Canada —				
H.L. Holmes Fund		77,640	77,640	
Social Sciences and Humanities Research Council —				
Queen's Fellowship Fund	117,500	2,884		120,384
	117,500	*80,524*	*77,640*	*120,384*
Total — Endowment interest accounts	127,489	86,836	82,815	131,510
Total — Other deferred revenues — Specified purpose accounts	34,196,425	20,689,244	20,296,446	34,589,223
Total — Deferred revenues	3,920,481,680	8,732,903,642	3,493,246,310	9,160,139,012

Service fees for immigration and citizenship

This account was established to record fees and rights derived from the *Citizenship Act* and Regulations and the *Immigration and Refugee Protection Act* and Regulations. Fees are deferred until the application is deemed processed, while rights (right of citizenship and right of permanent residence) are deferred until the right is granted.

Canadian Intellectual Property Office Revolving Fund

This account was established to record funds reserved from sources such as patents, trademarks examination and registration fees which are recognized as revenue in subsequent years.

Spectrum licence fees

This account was established to record: *(a)* funds received from Spectrum Auctions, which are recognized as revenues over the period of the licences; and *(b)* funds received from Spectrum Licence Fees that are received in the latter part of the fiscal year, but which are applicable to the following fiscal year.

Advances from foreign customers

This account records advances from foreign customers representing a down payment made at the outset of the contract before any work has been performed.

Shared-cost agreements — Research

This account was established to record amounts deposited by external parties for shared-cost projects, and any related future provincial program payments to be made on a province's behalf by Agriculture and Agri-Food Canada as part of a related project. Funds are disbursed on behalf of depositors as specific projects are undertaken.

Special operating account

This account was established, pursuant to section 18 of the *Library and Archives of Canada Act*, to record funds received for the purposes of the Library and Archives of Canada, by way of gifts. Amounts required for the purposes of the Act may be paid out of this account, or out of funds appropriated by Parliament for such purposes.

Donations

This account was established, pursuant to subsection 6(3) of the *Canadian Centre for Occupational Health and Safety Act*, to record funds, securities or other property received by way of gift, bequest or otherwise, and to disburse such donations at the discretion of the Centre.

Endangered species — Donations

This account was established to record donations, gifts or bequests received from individuals and organizations to finance various studies related to endangered species.

Miscellaneous projects deposits

This account was established to record contributions received from organizations and individuals, for the advancement of research work and clean-up efforts.

Pacific Rim Mitigation Fund

This account was established to record funds received for the protection of lands within the Pacific Rim National Park Reserve of Canada. Funds so received are used to monitor community use impacts, carry out related research and implement required mitigation measures.

Restricted donations — Fisheries and Oceans

This account was established to record directed donations to be used for research, development, management and promotion of fisheries and oceans related issues.

Donations for research

This account was established, pursuant to section 29 of the *Canadian Institutes of Health Research Act*, to record donations and contributions received from organizations and individuals for biomedical research.

Deposits from Non-Government Organizations

This account was established to record amounts deposited by customers to be used for payments of services provided by Industry Canada.

Prime Minister's Awards

This account was established to record amounts deposited by external parties to be used in support of the Prime Minister's Awards for teaching excellence.

RADARSAT-2

This account was established to record funds received for the configuration and layout of relocated "MacDonald, Dettwiler and Associates" personnel.

RADARSAT-2 — Data satellite

This account was established to record funds received from "MacDonald, Dettwiler and Associates" for the reception, archiving, cataloging and satellite acquisition services.

Trust fund — Natural Sciences and Engineering Research Council

This account was established by the *Natural Sciences and Engineering Research Council Act* (1978) to record funds received from other governments and organizations to cover expenses made on their behalf.

Trust fund — Social Sciences and Humanities Research Council

This account was established to record funds available for social sciences and humanities research activities. The account is also used to record receipts of private donations for the purpose of special projects.

Corporate sponsorships and donations

This account was established by the Department of National Defence to administer funds received from various private companies, not for profit corporations, associations, other levels of government, or individuals for the purpose of holding events, conducting operations and constructing capital assets consistent with the Department's mandate but not funded from its appropriations.

Civil Remedies Grant Program

The Ontario Civil Remedies Grant Program, under the authority of the *Civil Remedies Act*, funds law enforcement agencies to assist victims of unlawful activity and help prevent victimization. The Aboriginal Youth Art Project sponsored by the Neechee Studio benefited from the grant to deliver an art workshop series that uses artistic expression to empower high risk and vulnerable Aboriginal youth in the Thunder Bay region.

Mounted Police Foundation

This account was established to record funds received from the Mounted Police Foundation which will be used to cover expenses related to community policing, educational, promotional and public relations projects throughout Canada.

Royal Canadian Mounted Police Pipe Band (NCR)

This account was established to administer sponsorship funds to support the Royal Canadian Mounted Police Pipe Band.

Sponsorship Agreement — Contributions

This account was established to record funds contributed to the Royal Canadian Mounted Police pursuant to sponsorship agreements for use in community policing programs.

Cost sharing collaborate agreement

This account was established to record amounts deposited by external parties for shared-cost projects.

Donations — Rideau Hall

This account was established to record gifts, donations or bequests to Rideau Hall from private organizations and individuals to fund specific initiatives.

Shared-cost agreements — Transportation research and development

This account was established to record, on a temporary basis; *(a)* funds received from cost-sharing agreements intended to strengthen and improve the safety, security and efficiency of the Canadian transportation system; and *(b)* funds received from private sector and provincial governments to directly support the departmental strategic objectives.

Restricted donations — Canadian Memorial

This account was established to record directed donations for the purpose of management and maintenance of the Canadian Memorial in Green Park, London, United Kingdom.

Restricted donations — Visitor Education Centre, Vimy Memorial

This account was established to record directed donations for the purpose of providing assistance to the construction of a visitor education centre at the Canadian National Vimy Memorial.

Restricted donations — Wounded Warrior Fund

This account was established to record directed donations for the purpose of providing assistance to support the pilot project designed to assist disenfranchised Veterans in crisis.

Laurier House — Interest (Mackenzie King trust account)

The late The Right Hon W. L. Mackenzie King bequeathed Laurier House, Ottawa, and the sum of $225,000, to the Government of Canada. The amount of $225,000 was credited to the account and earns interest, in accordance with the terms of section 3 of the *Laurier House Act*. The interest is to be used to assist in the maintenance of the Laurier House, which is to be preserved as a place of historic interest, and also to provide accommodation for study and research.

Endowments for Health Research

This account was established by section 29 of the *Canadian Institutes of Health Research Act*, to record various endowments received from donors for the purpose of health research. The interest received is used for the payment of research grants.

H.L. Holmes Fund

This account was established, pursuant to paragraph 5(1)(f) of the *National Research Council Act*, to record the residue of the estate of H.L. Holmes. Up to two thirds of the yearly net income from the fund shall be used to finance the H.L. Holmes Award on an annual basis. These awards will provide the opportunity to post-doctoral students to study at world famous graduate schools or research institutes under outstanding research persons.

Queen's Fellowship Fund

This fund is an endowment of $250,000 that was established by Vote 45a, *Appropriation Act No. 5, 1973-74*. The interest earned is used for the payment of fellowships to graduate students in certain fields of Canadian studies.

Amounts Payable to Taxpayers

Amounts payable to taxpayers are based on assessments as well as estimates of refunds owing for assessments not completed by year end.

Table 5.6 presents a summary of the balances for the different tax revenue streams.

Table 5.6
Amounts Payable to Taxpayers

	March 31, 2015	March 31, 2014
	$	$
Personal and non-resident income tax	35,867,570,481	32,218,590,587
Corporate income tax	9,327,020,173	9,806,504,730
Goods and services tax	10,904,113,838	10,524,546,108
Customs and excise	99,566,568	49,887,140
Total	56,198,271,060	52,599,528,565

Personal and non-resident income tax

This account records tax refunds payable to individual taxpayers as well as amounts payable to employers and other withholders of personal income tax. This account also includes any interest owing on the balances.

Corporate income tax

This account records tax refunds payable and any interest owing to corporate taxpayers.

Goods and services tax

This account records refunds, rebates and any interest owing related to the goods and services tax.

Customs and excise

This account records refunds of customs import duties, excise taxes and duties, energy taxes and any interest owing on the balances.

Environmental Liabilities

Environmental liabilities consist of estimated costs related to the remediation of contaminated sites, estimated costs related to obligations associated with the retirement of tangible capital assets and other environmental liabilities.

Contaminated Sites

A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the Government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects the Government's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination. When the cash flows required to settle or otherwise extinguish a liability are expected to occur over extended future periods, a present value technique is used. The discount rate applied is taken from the Government's Consolidated Revenue Fund monthly lending rates for periods of one year and over. The discount rates used are based on the term rate associated with the estimated number of years to complete remediation.

The Government has identified approximately 9,800 sites (11,600 sites in 2014) where contamination may exist and assessment, remediation and monitoring may be required. Of these, the Government has identified approximately 2,400 sites (2,500 sites in 2014), where action is possible and for which a gross liability of $5,810 million has been recorded. A recovery of $17 million has also been recorded resulting in a net liability of $5,793 million ($4,796 million in 2014). This liability represents the Government's best estimate of the costs required to remediate sites to the current minimum standard for its use prior to contamination, based on information available at the financial statement date. A net present value technique has been used for sites where the cash flows are expected to occur over extended future periods.

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when all of the following criteria are satisfied: there is an agreement, contract, legislation, or a constructive or equitable obligation that obligates the Government to incur retirement costs in relation to a tangible capital asset, the past event or transaction giving rise to the retirement liability has occurred, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. These costs are normally capitalized and amortized over the asset's estimated useful life based on the Government's best estimates of the cost to retire the tangible asset. If the related asset is fully amortized, the asset retirement obligation is expensed. The liability reflects the present value of estimated future cash flows required to retire the assets where amounts can be reasonably estimated and is expected to be settled as the related sites, facilities or assets are removed from service.

The asset retirement obligation is $6,502 million ($6,345 million in 2014) of which Atomic Energy of Canada Ltd. has recorded $6,487 million ($6,327 million in 2014) for nuclear facility decommissioning. These costs are normally capitalized and amortized over the asset's estimated useful life based on the Government's best estimates of the cost to retire the tangible asset. The liability reflects the present value of estimated future cash flows required to restore the assets where amounts can be reasonably estimated and is expected to be settled as the related sites, facilities or assets are removed from service.

Other Environmental Liabilities

A liability for unexploded explosive ordnance (UXO) affected legacy sites is recognized when there is an appropriate basis for measurement and a reasonable estimate can be made. These liabilities are present obligations arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

The recorded environmental liabilities are adjusted each year, as required, for present value adjustments, inflation, new obligations, changes in estimates and actual costs incurred.

If the likelihood of the Government's responsibility is not determinable, a contingent liability is disclosed in the notes to the consolidated statements. If measurement uncertainty exists it is also disclosed in the notes to the consolidated statements.

The Government has identified approximately 918 UXO (865 in 2014) suspected sites for which clearance action may be necessary. Of these sites, 57 (63 in 2014) are confirmed UXO affected sites. Based on the Government's best estimates, a liability of $1.3 million ($2 million in 2014) has been recorded for clearance action on 5 (6 in 2014) of the confirmed UXO sites. The remaining 861 suspect sites are currently in the assessment stage and a reasonable estimate cannot yet be determined. Of these sites, the obligation for clearance action is likely for 68 sites, indeterminable for 774 sites and unlikely for 19 sites.

The Government's ongoing efforts to assess contaminated sites, asset retirement obligations and UXO affected sites may result in additional environmental liabilities. Any additional liabilities will be accrued in the year in which they become known and can be reasonably estimated.

Table 5.7 presents the liability balances of the custodian departments and Crown corporations for remediation liabilities for contaminated sites, asset retirement obligations and other environmental liabilities.

Table 5.7
Environmental Liabilities

	March 31, 2015	March 31, 2014
	$	$
Remediation liabilities for contaminated sites —		
Departments and agencies —		
Agriculture and Agri-Food	2,422,353	1,513,644
Canada Border Services Agency	2,479,624	2,320,091
Correctional Service of Canada	2,017,213	3,963,650
Environment	122,609,100	110,916,041
Fisheries and Oceans	104,558,273	96,498,180
Health	167,497	167,482
Indian Affairs and Northern Development	3,017,667,968	2,602,985,802
National Defence	425,387,988	462,424,603
National Research Council of Canada	170,421	168,400
Natural Resources	988,830,523	987,527,496
Parks Canada Agency	24,171,903	20,761,201
Public Works and Government Services	159,863,436	119,571,537
Enterprise Cape Breton Corporation [1]	154,686,277	
	314,549,713	*119,571,537*
Royal Canadian Mounted Police	2,874,887	3,121,562
Transport	146,573,661	163,587,726
Miscellaneous adjustment	580,000,000	
	5,734,481,124	*4,575,527,415*
Consolidated Crown corporations and other entities —		
Canadian Broadcasting Corporation	377,000	588,000
Enterprise Cape Breton Corporation [1]		158,548,000
Marine Atlantic Inc	431,000	431,000
National Capital Commission	43,850,000	24,224,000
The Jacques-Cartier and Champlain Bridges Incorporated	31,100,000	35,861,000
VIA Rail Canada Inc.	200,000	500,000
	75,958,000	*220,152,000*
Gross remediation liability for contaminated sites	5,810,439,124	4,795,679,415
Less expected recoveries — Indian Affairs and Northern Development	17,321,495	
Net remediation liability of contaminated sites	5,793,117,629	4,795,679,415
Asset retirement obligations —		
Departments and agencies	566,494	555,149
Consolidated Crown corporations and other entities —		
Atomic Energy of Canada Limited (nuclear facility decommissioning)	6,487,228,000	6,326,556,000
Others	13,920,000	18,288,000
	6,501,148,000	*6,344,844,000*
Total asset retirement obligations	6,501,714,494	6,345,399,149
Other environmental liabilities —		
Departments and agencies —		
National Defence (unexploded explosive ordnance affected sites)	1,312,586	1,989,054
Total environmental liabilities	12,296,144,709	11,143,067,618

(1) Enterprise Cape Breton Corporation was dissolved in June 2014 and the responsibility for the contaminated sites for Cape Breton Operations was transferred to Public Works and Government Services Canada.

Changes in Liability for Remediation of Contaminated Sites

Table 5.8 presents a summary of the changes in liability balances for contaminated sites. In addition to expenditures reducing environmental liabilities previously recorded, the government spent another $32,423,575 ($19,198,394 in 2014) as management and remediation costs on its contaminated sites when these costs became known in the year.

Table 5.8
Changes in Liability for Remediation of Contaminated Sites

	March 31, 2015	March 31, 2014
	$	$
Opening balance	4,795,679,415	4,891,367,062
Less: Expenditures reducing opening liabilities	299,922,633	432,808,848
Add: Changes in estimated remediation costs	1,276,011,671	261,574,058
New liability for sites not previously recorded	38,670,671	75,547,143
Closing balance (gross)	5,810,439,124	4,795,679,415
Expected recoveries	17,321,495	
Closing balance (net)	5,793,117,629	4,795,679,415

Interest and Matured Debt

Interest and matured debt includes interest due, interest accrued and matured debt.

Table 5.9 presents a summary of the balances for the accounts in this category of accounts payable and accrued liabilities.

Table 5.9
Interest and Matured Debt

	March 31, 2015	March 31, 2014
	$	$
Interest due	914,909,147	1,076,866,714
Interest accrued	3,971,630,713	4,158,125,883
Matured debt	352,895,325	349,851,325
Total	5,239,435,185	5,584,843,922

Interest due

Interest due is the interest on the bonded debt, which is due and payable but has not been redeemed by bond holders.

Interest accrued

Interest accrued is the interest accumulated as at March 31 on the bonded debt and certain other liabilities, that is not payable until a future date.

Matured debt

This account records financial obligations represented by certificates of indebtedness issued by the Government that have become due but that have not been presented for redemption. Unclaimed matured bonds are transferred to other revenues if they remain unredeemed 15 years after the date of call or maturity, whichever is earlier.

Allowance for Guarantees

This category of accounts payable and accrued liabilities includes the allowance for guarantees provided by the Government. An allowance is recorded for guarantees when it is likely that a payment will be made in the future to honour a guarantee and when the amount of the loss can be reasonably estimated. As at March 31, 2015, the allowance for guarantees is $317 million ($386 million in 2014).

Additional information relating to guarantees can be found in Note 18 — Guarantees in Section 2 and in Table 11.5 in Section 11 of this volume. In addition, Table 9.6 in Section 9 includes details on the borrowings of agent and non-agent enterprise Crown corporations and other government business enterprises. In accordance with section 54 of the *Financial Administration Act*, the payment of all money borrowed by agent enterprise Crown corporations, and interest thereon, is a charge on and payable out of the Consolidated Revenue Fund. Such borrowings therefore constitute unconditional obligations of the Government. In contrast, borrowings of non-agent enterprise Crown corporations and other government business enterprises may, at times, be guaranteed by the Government.

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Section 6

2014-2015

Public Account of Canada

Interest-Bearing Debt

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Interest-Bearing Debt

This section contains information on the interest-bearing debt of the Government. Interest-bearing debt includes the unmatured debt and pensions, other future benefits and other liabilities.

Some tables in this section present the continuity of accounts, by showing the opening and closing balances, as well as receipts and other credits, and payments and other charges.

Table 6.1 presents the transactions and year-end balances of interest-bearing debt. Chart 6A presents interest-bearing debt by category for the current fiscal year.

The financial statements of the Canada Pension Plan, the Government Annuities Account and the Royal Canadian Mounted Police (Dependants) Pension Fund, together with the Independent Auditor's Reports thereon, are presented at the end of this section.

A narrative description is provided for accounts reported in some tables. Such descriptions follow the same presentation order as their respective tables.

Table 6.1
Interest-Bearing Debt

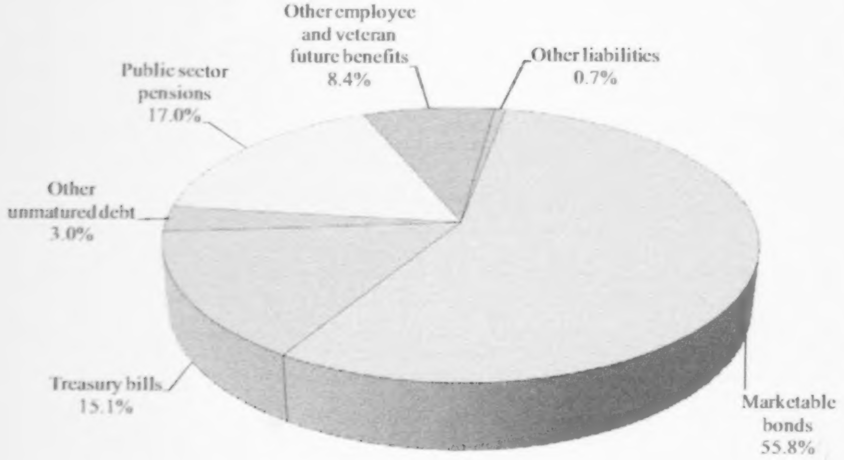
	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Unmatured debt [1] —				
Payable in Canadian currency —				
Marketable bonds, Table 6.2	473,319,012,699	99,145,107,301	84,582,735,000	487,881,385,000
Treasury bills, Table 6.3	152,989,702,000	367,200,000,000	384,498,012,000	135,691,690,000
Retail debt, Table 6.4	6,327,056,968	1,540,855,208	2,208,177,403	5,659,734,773
	632,635,771,667	*467,885,962,509*	*471,288,924,403*	*629,232,809,773*
Payable in foreign currencies —				
Marketable bonds, Table 6.2	12,994,194,999	5,409,841,878	3,649,680,751	14,754,356,126
Canada bills, Table 6.5	2,289,975,815	10,572,836,680	9,074,245,970	3,788,566,525
Medium-term notes, Table 6.6	746,212,500	977,932,500		1,724,145,000
	16,030,383,314	*16,960,611,058*	*12,723,926,721*	*20,267,067,651*
Total — Market debt	648,666,154,981	484,846,573,567	484,012,851,124	649,499,877,424
Cross-currency swap revaluation	2,326,370,293		(4,343,188,101)	6,669,558,394
Unamortized discounts and premiums on market debt, Table 6.7	3,184,071,638	2,850,109,664	1,738,585,992	4,295,595,310
Obligation related to capital leases, Table 6.12	3,602,669,203	402,348,085	295,439,702	3,709,577,586
Other unmatured debt	1,178,583,231	132,574,399	306,341,897	1,004,815,733
Total — Unmatured debt	658,957,849,346	488,231,605,715	482,010,030,614	665,179,424,447
Pensions, other future benefits and other liabilities —				
Public sector pensions, Table 6.15	153,162,597,634	16,908,586,487	17,406,977,717	152,664,206,404
Other employee and veteran future benefits, Table 6.28	71,959,401,000	10,103,145,000	5,922,063,000	76,140,483,000
Other liabilities				
Due to Canada Pension Plan, Table 6.29	140,449,593	71,398,248,966	71,326,638,689	212,059,870
Government Annuities Account	166,137,504	10,989,238	27,528,658	149,598,084
Deposit and trust accounts, Table 6.30	1,685,233,243	652,195,690	662,903,922	1,674,525,011
Other specified purpose accounts, Table 6.33	3,922,279,318	2,734,706,440	2,691,710,372	3,965,275,386
	5,914,099,658	*74,796,140,334*	*74,708,781,641*	*6,001,458,351*
Total — Pensions, other future benefits and other liabilities	231,036,098,292	101,807,871,821	98,037,822,358	234,806,147,755
Total	889,993,947,638	590,039,477,536	580,047,852,972	899,985,572,202

A significant class of pensions and other employee future benefits related to consolidated Crown corporations and other entities was reclassified from other accounts payable and accrued liabilities to pensions and other future benefits.

(1) This table includes unmatured debt issued by the Government of Canada. Borrowings of agent enterprise Crown corporations which are unconditional obligations of the Government, but not included in unmatured debt, can be found in Table 6.11.

Chart 6A

Interest-Bearing Debt by Category at March 31, 2015



Unmatured Debt

Unmatured debt represents financial obligations resulting from certificates of indebtedness issued by the Government of Canada that have not yet become due, cross-currency swap revaluation and unamortized discounts and premiums on market debt, obligations related to capital leases and other unmatured debt.

The Government's holdings of its own securities have been deducted from unmatured debt, to report the amount of the Government's liabilities to outside parties.

Marketable Bonds

Marketable bonds are interest-bearing certificates of indebtedness issued by the Government of Canada, and have the following characteristics:

- bought and sold on the open market;
- payable in Canadian or foreign currency;
- subject to redemption before maturity;
- fixed dates of maturity;
- interest payable either in coupon or registered form; and
- face value guaranteed at maturity.

Registered marketable bonds are transferable by endorsement and delivery by one holder to another. Bearer marketable bonds need not be endorsed.

Table 6.2 presents a summary of the balances and transactions for marketable bonds.

The year-end balances of marketable bonds payable in foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2015.

Table 6.2
Marketable Bonds

	April 1, 2014	Receipts and other credits [1]	Payments and other charges [1]	March 31, 2015
	$	$	$	$
Payable in Canadian currency —				
Matured 2014-2015	62,912,021,000		62,912,021,000	
Maturing 2015-2016	77,475,348,000		21,066,614,000	56,408,734,000
2016-2017	63,857,400,000	31,600,000,000	90,000,000	95,367,400,000
2017-2018	30,742,526,000	23,000,000,000		53,742,526,000
2018-2019	31,022,764,000			31,022,764,000
2019-2020	17,650,000,000	20,400,000,000		38,050,000,000
2020-2021	13,667,361,000			13,667,361,000
2021-2022	19,453,469,506	75,967,493		19,529,436,999
2022-2023	12,906,022,000			12,906,022,000
2023-2024	16,558,552,000			16,558,552,000
2024-2025	11,100,000,000	2,700,000,000		13,800,000,000
2025-2026	2,303,156,000	10,600,000,000		12,903,156,000
2026-2027	7,357,837,186	72,907,813		7,430,744,999
2027-2028	4,430,175,000			4,430,175,000
2029-2030	11,451,658,000		310,000,000	11,141,658,000
2031-2032	7,812,275,414	77,406,585		7,889,681,999
2033-2034	12,795,905,000			12,795,905,000
2036-2037	6,991,439,449	69,276,553		7,060,716,002
2037-2038	13,684,173,000		97,100,000	13,587,073,000
2041-2042	23,048,979,059	71,824,941	107,000,000	23,013,804,000
2044-2045	8,198,708,219	81,255,782		8,279,964,001
2045-2046	16,400,000,000			16,400,000,000
2047-2048	1,098,186,866	2,229,005,134		3,327,192,000
2048-2049		4,600,000,000		4,600,000,000
2064-2065		3,500,000,000		3,500,000,000
	472,917,956,699	99,077,644,301	84,582,735,000	487,412,866,000
Less:				
Consolidation adjustment [2]	(401,056,000)	(67,463,000)		(468,519,000)
Total marketable bonds payable in Canadian currency	473,319,012,699	99,145,107,301	84,582,735,000	487,881,385,000
Payable in foreign currencies —				
Matured 2014-2015	3,316,500,000		3,316,500,000	
Maturing 2016-2017	3,353,251,242	488,655,608		3,841,906,850
2017-2018		4,433,100,000		4,433,100,000
2018-2019	3,334,276,440	485,890,488		3,820,166,928
2019-2020	3,049,869,250	563,850	323,000,000	2,727,433,100
	13,053,896,932	5,408,209,946	3,639,500,000	14,822,606,878
Less: Government's holdings and securities held for the retirement of unmatured debt [3]	59,701,933	1,631,932	10,180,751	68,250,752
Total marketable bonds payable in foreign currencies	12,994,194,999	5,409,841,878	3,649,680,751	14,754,356,126
Total	486,313,207,698	104,554,949,179	88,232,415,751	502,635,741,126

[1] These columns include the translation of marketable bonds payable in foreign currencies to Canadian dollars using the closing rates of exchange at March 31.

[2] Includes $7 million of securities held by consolidated Crown corporations and other entities and $475 million of borrowings by consolidated agent Crown corporations. Additional information on consolidated Crown corporations and other entities is provided in Section 4 of this volume.

[3] These securities were assumed by the Government of Canada on February 5, 2001 upon the dissolution of Petro-Canada Limited. These are presented as a deduction from the foreign currency unmatured debt since they are held specifically for the repayment of the corresponding liabilities assumed upon the dissolution of the Corporation.

Treasury Bills

Treasury bills are short-term certificates of indebtedness issued by the Government of Canada to pay sums of money on given dates, and have the following characteristics:

- issued at a discount in lieu of interest payments;
- issued in Canadian currency only;
- issued every 2 weeks;
- common terms: 3 months, 6 months and 12 months;
- transferable; and
- bought and sold on the open market.

The balance at March 31, 2015 consists of $41,300 million in three-month bills; $28,300 million in six-month bills; and $66,100 million in 364-day bills.

Table 6.3 presents a summary of Treasury bill issues and redemptions.

Table 6.3
Treasury Bills

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Three-month bills	43,700,000,000	172,300,000,000	174,700,000,000	41,300,000,000
Six-month bills	29,800,000,000	66,100,000,000	67,600,000,000	28,300,000,000
Other bills	79,500,000,000	128,800,000,000	142,200,000,000	66,100,000,000
	153,000,000,000	367,200,000,000	384,500,000,000	135,700,000,000
Less: Government's holdings — Consolidation adjustment [1]	10,298,000		1,988,000	8,310,000
Total	152,989,702,000	367,200,000,000	384,498,012,000	135,691,690,000

[1] Represents securities held by consolidated Crown corporations and other entities. Additional information is provided in Section 4 of this volume.

Retail Debt

Retail debt includes Canada Savings Bonds and Canada Premium Bonds which are interest-bearing certificates of indebtedness issued by the Government of Canada, and have the following characteristics:

- issued to Canadian residents;
- issued in Canadian currency only;
- registered in the name of the holder;
- fixed dates of maturity;
- not marketable;
- not subject to call before maturity;
- term to maturity of three years or more;
- Canada Savings Bonds are redeemable on demand by the holder, with accrued interest calculated to the end of the previous month (no interest is paid if redeemed during the first 3 months following the date of issue); and
- Canada Premium Bonds are redeemable in full or partially on any annual anniversary of the issue date and during the 30 days thereafter by the holder, with accrued interest if applicable.

Table 6.4 presents a summary of the balances and transactions for Canada Savings Bonds and Canada Premium Bonds.

Table 6.4
Retail Debt

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Canada Savings Bonds —				
Matured 2014-2015 [1]	271,488,220		271,488,220	
Maturing 2015-2016 [2]	854,042,075	122,415,926	387,389,141	589,068,860
2016-2017 [3]	866,670,257	730,819,866	721,265,203	876,224,920
2017-2018 [4]	608,911,048	577,567,371	165,929,940	1,020,548,479
2018-2019 [5]	659,733,633		100,576,515	559,157,118
2019-2020 [6]	318,608,745		56,750,040	261,858,705
2020-2021 [7]	340,046,731		67,990,527	272,056,204
2021-2022	435,071,251		104,055,760	331,015,491
	4,354,571,960	*1,430,803,163*	*1,875,445,346*	*3,909,929,777*
Canada Premium Bonds				
Matured 2014-2015	178,695,960		178,695,960	
Maturing 2015-2016	331,468,749		18,547,639	312,921,110
2016-2017	285,494,138	32,400	21,302,137	264,224,401
2017-2018	104,760,618	110,019,645	11,583,035	203,197,228
2018-2019 [5]	482,597,458		49,512,441	433,085,017
2019-2020 [6]	270,792,069		27,444,832	243,347,237
2020-2021 [7]	164,100,136		14,344,668	149,755,468
2021-2022	154,575,880		11,301,345	143,274,535
	1,972,485,008	*110,052,045*	*332,732,057*	*1,749,804,996*
Total	6,327,056,968	1,540,855,208	2,208,177,403	5,659,734,773

(1) Ten years maturity extension to CSB Series 47 until November 1, 2014.
(2) Ten years maturity extension to CSB Series 48 until November 1, 2015.
(3) Ten years maturity extension to CSB Series 49 until November 1, 2016.
(4) Ten years maturity extension to CSB Series 50 and 52 until November 1, 2017.
(5) Ten years maturity extension to CSB Series 51, 54, 55, 56, 57, 58 and CPB Series 3, 4, 5, 6, 7.
(6) Ten years maturity extension to CSB Series 59, 60, 61, 62, 63, 64 and CPB Series 8, 9, 10, 11, 12, 13.
(7) Ten years maturity extension to CSB Series 65 and CPB Series 14.

Canada Bills

Canada bills are short-term certificates of indebtedness issued by the Government of Canada in the United States money market under the Government's foreign currency borrowing program. Canada bills provide Canada with an additional source of short-term US funds and have the following characteristics:

- — issued at a discount in lieu of interest payments;
- — term to maturity of not more than 270 days;
- — transferable; and
- — bought and sold on the open market.

The year-end balance of Canada bills payable in US dollars was translated into Canadian dollars using the closing rate of exchange at March 31, 2015.

Table 6.5 presents a summary of Canada bill issues and redemptions.

Table 6.5
Canada Bills

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Canada bills before revaluation	2,183,583,498	10,362,672,006	9,074,245,970	3,472,009,534
Exchange valuation adjustment	106,392,317	210,164,674		316,556,991
Total	2,289,975,815	10,572,836,680	9,074,245,970	3,788,566,525

Medium-Term Notes

Medium-term notes are issued by the Government of Canada in the foreign markets under the Government's foreign currency borrowing program, and thus provide Canada with an additional source of medium-term foreign funds.

The year-end balances of medium-term notes payable in US dollars and Euros were translated into Canadian dollars using the closing rate of exchange of the appropriate currency at March 31, 2015.

Table 6.6 presents a summary of the balances and transactions for the medium-term notes.

Table 6.6
Medium-Term Notes

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Payable in foreign currencies —				
Maturing 2016-2017	442,200,000	64,440,000		506,640,000
2019-2020	248,737,500	36,247,500		284,985,000
2020-2021	55,275,000	877,245,000		932,520,000
Total	746,212,500	977,932,500		1,724,145,000

Cross-currency Swap Revaluation

This represents the unrealized gains or losses due to fluctuations in the foreign exchange value of the cross-currency swaps.

Unamortized Discounts and Premiums on Market Debt

The unamortized discounts and premiums on market debt have the following characteristics:

- unamortized discounts on Canada bills records the portion of the discounts on outstanding Canada bills which has not yet been charged to expenses. Discounts are amortized over the life of the bills;
- unamortized discounts on Treasury bills records the portion of the discounts on outstanding Treasury bills which has not yet been charged to expenses. Discounts are amortized over the life of the bills; and
- unamortized discounts and premiums on marketable bonds records the portion of the discounts and premiums on outstanding marketable bonds which has not yet been charged to expenses. Discounts and premiums are amortized over the life of the bonds.

Table 6.7 presents a summary of the balances and transactions for the unamortized discounts and premiums on market debt.

Table 6.7
Unamortized Discounts and Premiums on Market Debt

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Unamortized discounts on Canada Bills	(366,091)	1,975,009	2,264,803	(655,885)
Unamortized discounts on Treasury Bills	(460,091,957)	1,417,597,977	1,288,480,338	(330,974,318)
Unamortized discounts and premiums on marketable bonds	3,644,529,686	1,430,536,678	447,840,851	4,627,225,513
Total	3,184,071,638	2,850,109,664	1,738,585,992	4,295,595,310

Interest Rates

Table 6.8 sets out market debt as at March 31, for each of the years 2010-2011 to 2014-2015 inclusively, with the average rate of interest thereon. For purposes of comparison, market debt is classified as Marketable bonds, Treasury bills, Retail debt, Bonds for Canada Pension Plan, Canada bills and Medium-term notes.

Table 6.8
Market Debt as at March 31, from 2011 to 2015, with the Average Rate of Interest Thereon

	Marketable bonds		Treasury bills		Retail debt		Bonds for Canada Pension Plan		Canada bills		Medium-term notes		Total market debt	
	Amount out-standing	Average interest rate	Amount out-standing	Average interest rate	Amount out-standing	Average interest rate	Amount out-standing	Average interest rate	Amount out-standing	Average interest rate	Amount out-standing	Average interest rate	Amount out-standing	Average interest rate
	$(millions)	%	$(millions)	%	$(millions)	%	$(millions)	%	$(millions)	%	$(millions)	%	$(millions)	%
2015	502,635	2.70	135,692	0.81	5,660	0.71			3,789	0.08	1,724	0.35	649,500	2.27
2014	486,313	2.85	152,990	0.96	6,327	0.72			2,290	0.08	746	0.46	648,666	2.37
2013	477,738	3.03	180,689	1.03	7,481	0.76			2,103	0.13			668,011	2.45
2012	456,784	3.30	163,221	0.99	8,922	0.81	11	9.37	2,071	0.07			631,009	2.65
2011	421,736	3.55	162,980	1.12	10,141	1.10	27	9.69	1,972	0.15			596,856	2.83

Note: The interest rate in effect at March 31 is used where various rates of interest are applicable.

Table 6.9 shows the average high and low yields of Treasury bills, at tender, together with the average yield on the latest issues for the years 2010-2011 to 2014-2015 inclusively.

Table 6.9
Treasury Bills Average Yields at Tender

Year ended March 31	High	Low	Last issue
	%	%	%
Three-month bills —			
2015	0.95	0.47	0.53
2014	1.02	0.83	0.88
2013	1.04	0.89	0.98
2012	0.98	0.82	0.93
2011	1.01	0.29	0.92
Six-month bills —			
2015	0.98	0.45	0.54
2014	1.06	0.87	0.91
2013	1.12	0.94	1.01
2012	1.14	0.88	1.02
2011	1.17	0.47	1.08
364 days bills —			
2015	1.02	0.43	0.53
2014	1.13	0.94	0.96
2013	1.26	0.96	1.04
2012	1.47	0.85	1.10
2011	1.46	0.95	1.34
Other bills —			
2015	0.98	0.68	0.71
2014	1.04	0.77	0.81
2013	1.07	0.93	0.98
2012	1.00	0.82	0.97
2011	0.99	0.17	0.97

Maturity of Government Debt

Table 6.10 presents total market debt arranged in order of maturity.

Table 6.10
Maturity of Government Debt

	Marketable bonds		Treasury bills		Retail debt		Canada bills		Medium-term notes		Total market debt	
	Amount	Average interest rate	Amount	Average interest rate	Amount	Average interest rate	Amount	Average interest rate	Amount	Average interest rate	Amount	Average interest rate
	$(millions)	%	$(millions)	%	$(millions)	%	$(millions)	%	$(millions)	%	$(millions)	%
2016	56,408	2.08	135,700	0.81	902	0.76	3,789	0.08			196,799	1.16
2017	99,209	1.73			1,140	0.68			507	0.18	100,856	1.71
2018	58,175	1.66			1,224	0.60					59,399	1.63
2019	34,843	2.36			992	0.72					35,835	2.31
2020	40,778	2.67			505	0.93			285	0.62	41,568	2.64
2021-2025	76,461	3.09			897	0.70			932	0.37	78,290	3.03
2026-2030	35,906	4.89									35,906	4.89
2031-2035	20,686	5.08									20,686	5.08
2036-2040	20,648	4.32									20,648	4.32
2041-2045	31,294	2.87									31,294	2.87
2046-2050	24,327	3.05									24,327	3.05
2061-2065	3,500	2.75									3,500	2.75
	502,235	2.70	135,700	0.81	5,660	0.71	3,789	0.08	1,724	0.35	649,108	2.27
Less: Government's holdings and consolidation adjustment [1]	(400)		8								(392)	
Total	502,635	2.70	135,692	0.81	5,660	0.71	3,789	0.08	1,724	0.35	649,500	2.27

Note: This table includes unmatured debt issued by the Government of Canada. Borrowings of agent enterprise Crown corporations which are unconditional obligations of the Government, but not included in unmatured debt, can be found in Table 6.11.

[1] Includes government's holdings and securities held for the retirement of unmatured debt (Marketable bonds – $68 million with an average interest rate of 8.43 percent) and consolidation adjustments.

Statement of all Borrowing Transactions on behalf of Her Majesty

Table 6.11 presents information on the Government's borrowing transactions. Included in this table are borrowings by the Government for general purposes and borrowings by agent enterprise Crown corporations. Borrowings by non-agent enterprise Crown corporations and other government business enterprises are not included because such borrowings are not on behalf of Her Majesty.

Table 6.11
Statement of all Borrowing Transactions on behalf of Her Majesty
(in millions of dollars)

	April 1, 2014	Issues/ Borrowings	Retirements	March 31, 2015
Market debt of the Government of Canada [1]	648,666	484,847	484,013	649,500
Cross-currency swap revaluation	2,326		(4,343)	6,669
Unamortized discounts and premiums on market debt [1]	3,184	2,850	1,738	4,296
Obligation related to capital leases [1]	3,603	402	295	3,710
Other unmatured debt	1,179	132	306	1,005
	658,958	*488,231*	*482,009*	*665,180*
Borrowings of enterprise Crown corporations designated as agents of Her Majesty	245,223	75,277	67,451	253,049
Total	904,181	563,508	549,460	918,229

[1] Details can be found in this section.

Obligation related to capital leases

A capital lease is a lease that transfers substantially all the benefits and risks inherent in ownership of the asset to the lessee. The net obligation related to capital leases represents the present values of the remaining minimum lease payments under the capital lease arrangements.

Table 6.12 presents the obligation related to capital lease agreements by asset type.

Table 6.12
Obligation related to capital leases

	April 1, 2014	Net changes	March 31, 2015
	$	$	$
Land	6,336,833	(804,076)	5,532,757
Buildings	2,637,386,224	111,253,449	2,748,639,673
Works and infrastructure	550,202,835	(20,125,007)	530,077,828
Machinery and equipment	74,385,147	71,096,101	145,481,248
Vehicles	334,358,164	(54,512,084)	279,846,080
Total	3,602,669,203	106,908,383	3,709,577,586

Capital Leases

Table 6.13 provides details of obligation under capital lease arrangements.

Table 6.13
Details of obligation related to capital leases
(in thousands of dollars)

				Balances at March 31, 2015		
	Inception date	Lease term in years	Discount rate % [1]	Total estimated remaining minimum lease payments	Less: imputed interest using the discount rate	Net obligations under capital lease arrangements
Environment —						
Department —						
Carleton University, Ottawa - National Wildlife Research Centre	May 2002	25	5.63	*15,600*	*4,477*	*11,123*
Parks Canada Agency —						
Greenwich Interpretation Multipurpose Centre	March 2001	24	6.30	3,971	1,046	2,925
Rocky Mountains Co-operative Housing Association	Nov 2001	18	6.30	671	92	579
Other capital leases less than $1,000,000				16	2	14
				4,658	*1,140*	*3,518*
National Defence —						
Boilers (2) Stadacona/Dockyard Halifax	Oct 2014	3	1.31	3,717	86	3,631
Edmonton Armoury - North	Dec 2000	20	5.62	8,017	1,165	6,852
Edmonton Armoury - South	May 2001	20	6.07	12,945	2,135	10,810
FELEX Facility - 1250 Lockley Road	Feb 2011	6	7.38	1,624	105	1,519
Longue Pointe Supply Depot	Nov 1994	35	7.64	49,606	19,821	29,785
Milit-Air Capital Lease (NFTC)	Oct 2003	17	5.87	39,593	6,169	33,424
Milit-Air Capital Lease (NFTC)	Dec 1999	20	5.78	283,079	36,900	246,179
Montfort Hospital - Health Services	Oct 2003	17	5.26	46,319	8,896	37,423
Shawinigan Armoury	May 1999	20	5.46	2,297	244	2,053
				447,197	*75,521*	*371,676*
Natural Resources —						
183 Longwood Drive, Hamilton	Nov 2010	25	3.45	*93,265*	*26,673*	*66,592*

Table 6.13

Details of obligation related to capital leases — *Continued*

(in thousands of dollars)

				Balances at March 31, 2015		
	Inception date	Lease term in years	Discount rate %(1)	Total estimated remaining minimum lease payments	Less: imputed interest using the discount rate	Net obligations under capital lease arrangements
Parliament —						
House of Commons —						
Speed Master - Heidelberg	Feb 2011	5	5.25	366	10	356
Other capital leases less than $1,000,000				393	8	385
				759	*18*	*741*
Public Safety and Emergency Preparedness —						
Royal Canadian Mounted Police —						
RCMP Detachment, Cornwall	Aug 2009	25	5.54	22,252	8,637	13,615
Other capital leases less than $1,000,000				1,167	453	714
				23,419	*9,090*	*14,329*
Public Works and Government Services —						
Department —						
1 Arctic Road, Inuvik	March 2008	10	10.73	515	76	439
101 Frederick Street, Kitchener (Lease 1 of 2)	July 2010	5	2.98	54		54
101 Frederick Street, Kitchener (Lease 2 of 2)	July 2010	5	7.66	106	1	105
110 O'Connor Street, Ottawa (Lease 1 of 6)	April 2009	10	5.70	2,311	249	2,062
110 O'Connor Street, Ottawa (Lease 2 of 6)	April 2009	10	5.43	2,269	234	2,035
110 O'Connor Street, Ottawa (Lease 3 of 6)	Dec 2009	10	5.43	4,410	522	3,888
110 O'Connor Street, Ottawa (Lease 4 of 6)	Dec 2009	10	5.43	3,270	387	2,883
110 O'Connor Street, Ottawa (Lease 5 of 6)	Dec 2009	10	5.43	1,707	202	1,505
110 O'Connor Street, Ottawa (Lease 6 of 6)	April 2010	10	4.37	965	93	872
1104 Ikaluktuutiak Drive, Iqaluit	Nov 2011	10	2.60	4,222	345	3,877
111 Lombard Avenue, Winnipeg	Nov 2014	20	2.69	22,651	5,058	17,593
1164 Devonshire Avenue, North Bay	April 2011	10	3.67	1,170	121	1,049
117 Glencoe Drive, Mount Pearl	Aug 2009	10	3.57	1,629	122	1,507
1200 Commissioners Road East, London	Dec 2012	10	9.02	2,882	813	2,069
12511 Vulcan Way, Richmond	July 2014	15	4.25	2,149	540	1,609
1300 Bath Road, Kingston	Feb 2012	10	2.20	845	61	784
1363 4th Avenue, Prince George	Dec 2010	10	6.84	991	171	820
139 Douglastown Boulevard, Miramichi	Oct 2012	10	1.95	3,521	248	3,273
1431 Merivale Road, Ottawa	Oct 2007	10	8.22	1,313	130	1,183
144 Millennium Drive, Quispamsis	Nov 2011	15	8.74	1,484	552	932
1484 Centennial Drive, Kingston	Oct 2006	10	18.24	781	97	684
1550 d'Estimauville Avenue, Quebec	Nov 2011	20	8.24	72,363	32,981	39,382
159 Cleopatra Drive, Ottawa	March 2011	10	1.33	3,319	129	3,190
1600 Star Top Road, Ottawa	July 2004	15	7.15	13,001	1,818	11,183
1620 Dickson Avenue, Kelowna	April 2006	10	4.38	350	8	342
165 Edgecomb Drive, Charlottetown	Aug 2012	15	8.65	1,886	729	1,157
1725 Woodward Drive, Ottawa (Lease 1 of 2)	Dec 2009	10	8.94	2,094	387	1,707
1725 Woodward Drive, Ottawa (Lease 2 of 2)	Dec 2009	10	8.55	1,934	344	1,590
179 3rd Avenue, Timmins	Feb 2010	10	8.69	3,697	687	3,010
180 Bass Pro Mills Drive, Vaughan	Sept 2014	10	2.20	5,396	526	4,870
1801 Hollis and Duke, Halifax	Oct 2009	10	3.89	2,216	188	2,028
181 Queen Street, Ottawa	March 2004	20	10.65	33,259	12,003	21,256
1925 McCallum Road, Abbotsford	Nov 2008	15	4.30	3,672	634	3,038
200 John Street West, Oshawa	Nov 2009	10	7.16	1,274	191	1,083
215-219 George Street, Peterborough	April 2012	10	4.48	1,219	180	1,039
22 de Varennes Street, Gatineau	Nov 2007	10	10.97	1,601	212	1,389
22 Eddy Street, Gatineau	May 2013	25	7.89	275,340	149,587	125,753
220 Fortin Street, Quebec	Dec 2007	10	15.65	629	117	512
2250 St-Olivier Street, Trois-Rivières	Sept 2012	10	9.03	2,659	726	1,933
2455 Don Reid Drive, Ottawa	Dec 2009	15	7.71	2,982	884	2,098
2655 Lancaster Road, Ottawa (Lease 1 of 2)	Feb 2009	8	3.94	364	13	351
2655 Lancaster Road, Ottawa (Lease 2 of 2)	July 2009	8	4.66	320	14	306
269 Laurier Avenue, Ottawa	Sept 2005	15	4.18	31,645	3,371	28,274
275 De Baets Street, Winnipeg	Feb 2007	10	17.42	513	77	436
2920 Highway 104, Antigonish	Feb 2006	10	7.76	137	5	132

Table 6.13
Details of obligation related to capital leases — *Continued*

(in thousands of dollars)

	Inception date	Lease term in years	Discount rate % (1)	Balances at March 31, 2015		
				Total estimated remaining minimum lease payments	Less: imputed interest using the discount rate	Net obligations under capital lease arrangements
295 Belliveau Avenue, Shediac	Jan 2007	15	7.93	2,627	604	2,023
3 Lower Malpeque Road, Charlottetown	June 2008	10	4.19	447	29	418
30 Victoria Street, Gatineau	June 2013	25	7.89	276,315	150,415	125,900
301 Bishop Drive, Fredericton	Feb 2014	15	5.30	2,503	731	1,772
3020 Hawthorne Road, Ottawa	Dec 2012	15	2.27	7,205	948	6,257
3085 Glen Erin Drive, Mississauga (Lease 1 of 2)	Aug 2010	7	7.28	665	55	610
3085 Glen Erin Drive, Mississauga (Lease 2 of 2)	Nov 2010	10	5.74	1,608	235	1,373
325 Broadway Avenue, Winnipeg	Jan 2008	10	10.37	3,827	510	3,317
3299 Industriel Boulevard, Sherbrooke	Nov 2009	10	6.24	916	121	795
351 Saint-Joseph Boulevard, Gatineau (Lease 1 of 3)	Aug 2011	25	5.28	76,836	30,785	46,051
351 Saint-Joseph Boulevard, Gatineau (Lease 2 of 3)	Dec 2011	25	7.33	19,819	9,867	9,952
351 Saint-Joseph Boulevard, Gatineau (Lease 3 of 3)	Aug 2014	12	2.45	11,214	1,441	9,773
360 George Street North, Peterborough	April 2012	10	8.70	1,586	401	1,185
3600 Lysander Lane, Richmond	March 2010	10	0.43	1,963	21	1,942
395 Terminal Avenue, Ottawa	Jan 2013	15	2.67	56,795	8,709	48,086
400 City Hall Square East, Windsor	Jan 2006	10	9.89	519	21	498
4110 Wellington Street, Verdun	June 2012	10	7.20	1,163	251	912
419 Kensington Avenue, Estevan	Oct 2011	10	2.87	846	75	771
425 Bloor Street, Toronto	June 2014	10	2.39	2,331	240	2,091
444 5th Street, Shawinigan	Dec 2011	10	8.50	2,129	508	1,621
455 de la Carrière Boulevard, Gatineau	Nov 2012	25	6.86	205,930	103,217	102,713
485 Bishop Drive, Fredericton	Dec 2011	15	6.16	1,331	383	948
4901-05 46th Street, Red Deer	Aug 2011	10	3.11	1,623	152	1,471
5019 52nd Street, Yellowknife	Feb 2011	10	2.54	1,243	89	1,154
5151 De la Savane Street, Montreal	June 2014	10	2.39	2,480	255	2,225
520 Exmouth Street, Sarnia	Dec 2006	10	4.08	892	31	861
522 Main Street, Shediac	April 2012	10	2.34	2,494	196	2,298
555 McAllister Drive, Saint John	Nov 2007	10	8.16	1,648	167	1,481
559 College Street, Toronto	July 2012	10	2.24	2,310	172	2,138
635 8th Avenue South West, Calgary	July 2009	10	3.55	4,653	340	4,313
6500 Trans-Canada Highway, Pointe-Claire	Sept 2012	10	1.95	923	64	859
6503 67th Street, Red Deer	Sept 2009	10	4.81	579	58	521
667 Notre-Dame Street, Repentigny	April 2013	10	2.01	1,177	91	1,086
8 Colonnade Road, Ottawa	May 2007	10	5.91	606	37	569
8 Oakes Avenue, Kirkland Lake	April 2012	10	6.93	6,028	1,262	4,766
8 Queen Street East, Sault Ste Marie	June 2010	10	4.95	1,509	180	1,329
81 Kingmingya Road, Inuvik	Jan 2011	10	7.35	879	164	715
81 Mulcaster Street, Barrie	Sept 2012	15	12.99	6,916	3,491	3,425
825-827 Fort Street, Victoria	Oct 2011	10	2.66	1,241	102	1,139
859 Main Street, Moncton	July 2008	10	5.49	629	54	575
90 Elgin Street, Ottawa	Nov 2014	25	7.23	480,281	256,040	224,241
933 Mivvik Street, Iqualuit (Lease 1 of 2)	June 2013	10	2.19	4,239	361	3,878
933 Mivvik Street, Iqualuit (Lease 2 of 2)	Sept 2013	10	2.72	3,012	323	2,689
985 McGill Place, Kamloops	June 2002	15	13.50	665	91	574
98-100 Racine Street East, Saguenay	June 2011	9	5.36	1,063	156	907
Admiral Building, Ottawa	Aug 2009	15	11.51	1,649	657	992
Albion Executive Tower, Ottawa	Dec 2009	10	6.80	1,499	218	1,281
Anderson Building, Selkirk	Jan 2012	10	2.18	848	59	789
Barker House, Fredericton	April 2010	10	2.82	1,835	125	1,710
Bell Canada Place, Ottawa	May 2003	15	10.88	2,912	448	2,464
Bonaventure Place, Montreal	May 2005	10	16.43	73	1	72
Broad Street Crossing, Regina (Lease 1 of 2)	May 2008	10	4.88	672	49	623
Broad Street Crossing, Regina (Lease 2 of 2)	May 2008	10	9.77	520	73	447
Canada Building, Ottawa	April 2007	10	4.27	1,444	62	1,382
Canada Place Building, Edmonton	Oct 2007	25	4.44	335,716	107,833	227,883
Canada Post Place, Ottawa	Dec 2004	15	4.91	14,324	1,546	12,778
Cargill Building, Winnipeg	July 2008	10	7.38	3,737	423	3,314
Carling Square, Tower I, Ottawa	Oct 2007	10	11.76	2,075	285	1,790
Carling Square, Tower II, Ottawa	Dec 2007	10	7.83	3,590	360	3,230
Centennial House, Winnipeg	April 2008	10	4.69	1,593	110	1,483

Table 6.13

Details of obligation related to capital leases — *Continued*

(in thousands of dollars)

				Balances at March 31, 2015		
	Inception date	Lease term in years	Discount rate % [1]	Total estimated remaining minimum lease payments	Less: imputed interest using the discount rate	Net obligations under capital lease arrangements
Chahko Mika Mall, Nelson	Nov 2011	10	7.89	1,872	415	1,457
Chebucto Place, Halifax	May 2011	10	3.45	1,284	129	1,155
Chief Joseph Big Plume Building, Sarcee	Jan 2011	10	5.93	2,596	401	2,195
City Place, Winnipeg (Lease 1 of 2)	Nov 2008	10	9.16	1,089	164	925
City Place, Winnipeg (Lease 2 of 2)	April 2009	10	7.04	2,223	290	1,933
Coast Guard Base, Mount Pearl	Feb 2011	8	2.21	1,010	43	967
Colonnade Warehouse, Ottawa	April 2007	10	7.80	411	32	379
Commodity Exchange & Winnipeg Square, Winnipeg (Lease 1 of 2)	Jan 2009	9	9.61	2,148	267	1,881
Commodity Exchange & Winnipeg Square, Winnipeg (Lease 2 of 2)	Jan 2009	9	9.74	1,532	193	1,339
Crowsnest Trail Plaza, Lethbridge	July 2008	10	5.83	596	54	542
De La Cité Place, Gatineau	Dec 2003	15	9.78	14,315	2,325	11,990
Des Explorateurs Place, Gatineau	Oct 2008	10	4.68	1,119	89	1,030
Fontaine Building, Gatineau	Jan 2008	15	5.82	25,676	5,053	20,623
Fraser Building, Ottawa	Feb 2010	10	3.24	2,214	167	2,047
Frederick Square, Fredericton	Dec 2011	10	2.31	881	65	816
Galeries Laurentides, Saint-Jérôme	June 2007	10	15.13	533	81	452
Glencoe Building, Mount Pearl	Dec 2007	10	10.74	1,048	140	908
Guy Favreau Complex, Montreal	Jan 2004	15	5.84	55,558	8,435	47,123
Harry Hays Building, Calgary	Oct 2007	25	4.44	332,379	106,782	225,597
Hérelle Place, Longueuil	Sept 2012	10	8.98	1,126	306	820
Heritage Court, Moncton	July 2013	15	5.48	6,085	1,766	4,319
Historic Properties, Halifax	Jan 2006	10	8.18	307	10	297
I.C.A.O., Montreal	Nov 1996	20	9.94	41,114	4,782	36,332
Joseph Shepard Building, Toronto	Oct 2007	25	4.44	229,815	73,837	155,978
Judicial Complex, Toronto	April 2006	20	11.40	67,673	30,339	37,334
Kamotiq Building, Nunavut	April 2011	10	5.10	3,375	472	2,903
Kent Square Building, Ottawa	Oct 2007	10	4.52	1,606	90	1,516
Laurier Place, Ottawa	May 2009	10	5.51	1,838	196	1,642
Library Square (Block 56), Vancouver	May 1995	25	9.68	33,890	7,205	26,685
Lionel Chevrier Building, Cornwall	Dec 2004	15	6.07	3,692	484	3,208
Louis St-Laurent Building, Gatineau	Nov 2001	15	6.38	23,349	1,587	21,762
Maritime Centre, Halifax (Lease 1 of 3)	Oct 2006	10	10.41	310	24	286
Maritime Centre, Halifax (Lease 2 of 3)	Jan 2010	15	6.26	15,727	4,024	11,703
Maritime Centre, Halifax (Lease 3 of 3)	Jan 2010	15	5.78	1,632	391	1,241
Market Square, Kitchener	July 2014	10	2.39	1,264	131	1,133
Megasys Phase II, Calgary	Feb 2008	10	4.79	2,576	200	2,376
Mercury Centre, Ottawa	Jan 2007	25	4.50	108,896	32,532	76,364
Mews Place, St. John's	Oct 2011	10	2.37	2,354	176	2,178
Midwest Surveys Building, Calgary	April 2007	10	17.88	1,335	220	1,115
Montcalm Place, Phase III, Gatineau	Dec 2003	15	8.65	14,922	2,174	12,748
Montcalm Place, Tower II, Gatineau	April 2012	15	2.64	21,624	3,108	18,516
Morgan Building, Clarenville	May 2013	10	6.27	1,164	253	911
Narono Building, Ottawa	Feb 2008	10	4.61	750	48	702
Nova Plaza, Yellowknife (Lease 1 of 2)	April 2009	10	6.00	1,748	197	1,551
Nova Plaza, Yellowknife (Lease 2 of 2)	April 2010	10	10.21	988	217	771
Parks Canada Building, Dartmouth	July 2009	20	7.61	3,863	1,509	2,354
Queen Square, Dartmouth	Sept 2011	10	3.18	8,559	827	7,732
RCMP Building, Montreal	Oct 2007	25	4.44	57,728	18,605	39,123
Revenue Canada Building, Montreal	Oct 2007	25	4.44	117,510	37,768	79,742
Roper Ridge Business Park, Edmonton	Nov 2008	10	6.43	3,267	359	2,908
Rosdev de Ville, Gatineau	June 2007	10	4.58	8,011	398	7,613
Royal Centre, New Westminster (Lease 1 of 2)	Nov 2008	10	11.22	1,040	187	853
Royal Centre, New Westminster (Lease 2 of 2)	March 2011	9	5.96	813	120	693
Samuel-Holland Complex, Quebec	July 2011	10	3.13	934	87	847
Sixty Queen Building, Ottawa (Lease 1 of 2)	July 2008	10	3.94	883	50	833
Sixty Queen Building, Ottawa (Lease 2 of 2)	May 2009	9	0.32	2,529	12	2,517
Sixty-Six Slater Building, Ottawa (Lease 1 of 2)	April 2009	10	4.95	2,448	231	2,217
Sixty-Six Slater Building, Ottawa (Lease 2 of 2)	Sept 2010	10	5.53	1,130	156	974

Table 6.13

Details of obligation related to capital leases — *Concluded*

(in thousands of dollars)

				Balances at March 31, 2015		
	Inception date	Lease term in years	Discount rate %[1]	Total estimated remaining minimum lease payments	Less: imputed interest using the discount rate	Net obligations under capital lease arrangements
Skyline Complex, Ottawa	Oct 2007	25	4.44	259,921	83,622	176,299
Smith Building, St. John's	July 2009	10	7.08	1,999	277	1,722
Stock Exchange Tower, Montreal	April 2012	10	3.36	1,155	127	1,028
The Baker Center Building, Edmonton	Dec 2007	10	4.45	488	29	459
The Inuksugait Plaza, Iqaluit	Oct 2006	10	14.28	329	34	295
The New Two Seventy Building, Ottawa	June 2007	10	4.58	2,538	126	2,412
Thomas D'Arcy McGee Building, Ottawa	Oct 2007	25	4.44	202,754	65,103	137,651
Time Square Building, Ottawa	Oct 2010	10	4.76	3,709	451	3,258
Trebla Building, Ottawa (Lease 1 of 2)	April 2009	10	9.46	4,365	743	3,622
Trebla Building, Ottawa (Lease 2 of 2)	April 2009	10	2.73	461	25	436
Trusco Building, Ottawa	Sept 2006	20	4.28	79,305	16,657	62,648
VAC Records Management Centre, Charlottetown	Nov 2007	15	13.43	2,501	937	1,564
Vanguard Building, Ottawa	Nov 2007	10	4.80	1,229	75	1,154
Vault Building, Lethbridge	April 2008	10	6.18	604	54	550
Waldron Building, Yellowknife	Aug 2007	10	12.22	593	79	514
Woodward's Abbott Building, Vancouver	Jan 2010	15	5.35	4,567	1,023	3,544
Other capital leases less than $1,000,000				60,305	13,173	47,132
				3,972,449	*1,434,263*	*2,538,186*
Shared Services Canada —						
IBM - Consolidated Enterprise Servers	Jan 2015	4	0.65	108,598	1,388	107,210
IBM - Power UNIX Server, Model 780	April 2014	2	1.25	756	6	750
Supercomputer Meteorological Service of Canada	April 2012	3	1.30	5,300	12	5,288
				114,654	*1,406*	*113,248*
Transport —						
Confederation Bridge, Borden-Carleton	May 1997	35	6.16	*1,154,476*	*624,398*	*530,078*
Other departments —						
Capital leases less than $1,000,000				*603*	*14*	*589*
				5,827,080	2,177,000	3,650,080
Consolidated Crown corporations and other entities —						
Canadian Broadcasting Corporation —						
Telesat	Feb 2001	17	6.80	34,085	3,182	30,903
Canadian Museum of Nature —						
Natural Heritage Building, Gatineau	Sept 1996	35	9.88	57,750	29,397	28,353
Defence Construction (1951) Limited —						
Capital leases less than $1,000,000				264	22	242
				92,099	32,601	59,498
Total				5,919,179	2,209,601	3,709,578

[1] For lessors and lessees, the financing rate of a lease agreement is subject to change over the term of lease.

Minimum lease payments related to capital leases

Table 6.14 presents upcoming minimum leases payments for the next five years by ministry.

Table 6.14
Minimum lease payments related to capital leases

(in thousands of dollars)

	Payments due by March 31						
	2016	2017	2018	2019	2020	2021 and subsequently	Total
Environment							
Department							
Remaining payments	1,300	1,300	1,300	1,300	1,300	9,100	15,600
Imputed interest	626	589	548	506	461	1,747	4,477
	674	*711*	*752*	*794*	*839*	*7,353*	*11,123*
Parks Canada Agency							
Remaining payments	544	544	544	544	509	1,973	4,658
Imputed interest	211	190	167	142	117	313	1,140
	333	*354*	*377*	*402*	*392*	*1,660*	*3,518*
National Defence							
Remaining payments	83,909	83,615	83,938	81,864	49,816	64,055	447,197
Imputed interest	20,316	16,633	12,775	8,724	4,465	12,608	75,521
	63,593	*66,982*	*71,163*	*73,140*	*45,351*	*51,447*	*371,676*
Natural Resources							
Remaining payments	4,518	4,518	4,518	4,519	4,518	70,674	93,265
Imputed interest	2,265	2,187	2,105	2,021	1,933	16,162	26,673
	2,253	*2,331*	*2,413*	*2,498*	*2,585*	*54,512*	*66,592*
Parliament							
House of Commons							
Remaining payments	759						759
Imputed interest	18						18
	741						*741*
Public Safety and Emergency Preparedness							
Royal Canadian Mounted Police							
Remaining payments	1,206	1,206	1,206	1,206	1,206	17,389	23,419
Imputed interest	783	759	733	707	678	5,430	9,090
	423	*447*	*473*	*499*	*528*	*11,959*	*14,329*
Public Works and Government Services							
Department							
Remaining payments	295,018	320,557	264,388	278,968	225,591	2,587,927	3,972,449
Imputed interest	141,454	130,122	119,478	110,481	102,172	830,556	1,434,263
	153,564	*190,435*	*144,910*	*168,487*	*123,419*	*1,757,371*	*2,538,186*
Shared Services Canada							
Remaining payments	32,140	30,994	30,843	20,677			114,654
Imputed interest	655	447	248	56			1,406
	31,485	*30,547*	*30,595*	*20,621*			*113,248*
Transport							
Remaining payments	62,335	60,152	61,061	61,983	62,920	846,025	1,154,476
Imputed interest	41,293	38,153	38,060	37,936	37,777	431,179	624,398
	21,042	*21,999*	*23,001*	*24,047*	*25,143*	*414,846*	*530,078*
Other departments							
Remaining payments	242	218	118	21	4		603
Imputed interest	8	5	1				14
	234	*213*	*117*	*21*	*4*		*589*
	274,342	314,019	273,801	290,509	198,261	2,299,148	3,650,080

Table 6.14

Minimum lease payments related to capital leases — *Concluded*

(in thousands of dollars)

	Payments due by March 31						
	2016	2017	2018	2019	2020	2021 and subsequently	Total
Consolidated Crown corporations and other entities —							
Canadian Broadcasting Corporation —							
Remaining payments	12,030	12,030	10,025				34,085
Imputed interest	1,798	1,098	286				3,182
	10,232	*10,932*	*9,739*				*30,903*
Canadian Museum of Nature —							
Remaining payments	3,500	3,500	3,500	3,500	3,500	40,250	57,750
Imputed interest	2,783	2,709	2,627	2,536	2,436	16,306	29,397
	717	*791*	*873*	*964*	*1,064*	*23,944*	*28,353*
Defence Construction (1951) Limited —							
Remaining payments	114	150					264
Imputed interest	11	11					22
	103	*139*					*242*
	11,052	11,862	10,612	964	1,064	23,944	59,498
Total	285,394	325,881	284,413	291,473	199,325	2,323,092	3,709,578
Summary —							
Remaining payments	497,615	518,784	461,441	454,582	349,364	3,637,393	5,919,179
Imputed interest	212,221	192,903	177,028	163,109	150,039	1,314,301	2,209,601
Net obligation	285,394	325,881	284,413	291,473	199,325	2,323,092	3,709,578

Pensions and Other Future Benefits

The Government has changed the presentation of the Consolidated Statement of Financial Position to segregate a significant class of pensions and other future benefits related to consolidated Crown corporations and other entities which were included in other accounts payable and accrued liabilities in previous years.

The obligations arising from public sector pensions and other employee and veteran future benefits, sponsored by the Government or some of the consolidated Crown corporations and other entities, are measured on an actuarial basis and are presented net of pension assets and unrecognized net actuarial gain or loss, as well as contributions and benefits paid by some of the consolidated Crown corporations and other entities after their measurement date of December 31 up to March 31.

Public Sector Pensions

The Government sponsors a number of defined benefit pension plans covering substantially all its employees, principally members of the federal public service, the Canadian Forces, including the Reserve Force, and the Royal Canadian Mounted Police, as well as employees of certain Public Service corporations and territorial governments. The Government also sponsors several other pension plans; the two most significant ones being for Members of Parliament and federally appointed judges. The Government has a statutory obligation to pay the pension benefits it sponsors.

The liabilities for public sector pensions sponsored by the Government are initially recorded through pension accounts, which are generally established pursuant to legislation. The pension accounts track transactions such as contributions, interest credits, benefit payments, transfers and administrative expenses. Any adjustments required under the Government's accounting policies are then recorded through allowance for pension adjustment accounts. The allowance accounts reflect the differential between accrual and cash accounting recognized through the years, as well as accumulated difference in interest calculations and consolidation adjustments related to refundable tax amounts remitted to or refunded from the Canada Revenue Agency.

The Government's pension plans are generally financed from employer and employee contributions or from Government and member contributions. The contributions are either part of general funds or transferred to the Public Sector Pension Investment Board (PSPIB) for investment in capital markets. Since April 1, 2000, amounts equal to contributions less benefits and other payments related to the public service, Canadian Forces – Regular Force and Royal Canadian Mounted Police pension plans, and since 2007 for the Canadian Forces – Reserve Force pension plan, that fall within the *Income Tax Act* limits are transferred to the PSPIB. The goal of the PSPIB is to maximize returns on investments without undue risk of loss, while having regard to the requirements and financial obligations of each of the pension plans. The PSPIB, a Canadian Crown corporation established by the *Public Sector Pension Investment Board Act*, reports the results of the investments in an annual report tabled in Parliament. Contributions for all the other pension plans sponsored by the Government are part of general funds.

More information on the above mentioned plans can be found in the respective annual report on the administration of the plans tabled in Parliament.

In addition, some of the consolidated Crown corporations and other entities maintain their own defined benefit pension plans covering substantially all of their employees. The majority of the defined benefit pension plans are contributory plans. Employer and employee contributions are made in accordance with the provisions of the plans. Pension plans' funds are held in external trusts that are legally separate from Crown corporations and other entities.

i. Pension plans

Public Service Pension Plan, Canadian Forces Pension Plan including the *Reserve Force Pension Plan* and *Royal Canadian Mounted Police Pension Plan*

The pension plans for the public service, Canadian Forces – Regular Force and the Royal Canadian Mounted Police provide for the payment of a lifetime pension and a temporary bridge benefit payable normally until age 65, the age at which members generally become eligible for the Canada Pension Plan (CPP) or Quebec Pension Plan (QPP). The annual lifetime pension is based on the average salary of five consecutive years of highest paid service and the years of pensionable service. For the Canadian Forces – Reserve Force pension plan, the annual lifetime pension is based on a percentage of indexed pensionable earnings with a temporary bridge benefit until members become eligible for the CPP or QPP. Pension benefits are indexed annually on January 1 to take into account the cost of living.

Pension benefits accrue at a rate of two percent per year of pensionable service up to a maximum of 35 years, the exception being the benefits offered under the Canadian Forces – Reserve Force pension plan which accrue at a rate of 1.5 percent up to a maximum of 35 years. Pension benefits are coordinated with those of the CPP or the QPP. Pension benefits for the public service pension plan members will accrue under either Group 1 for employees who were plan members prior to January 1, 2013, or Group 2 for employees joining the public service pension plan on or after that date. The normal retirement age for Group 1 members is 60. For Group 2 members, the normal retirement age is 65 and other age related thresholds were increased by 5 years.

The contribution rates for current service for all members of the public service will increase gradually to a 50:50 cost sharing ratio with the government by 2017. Public service Group 1 members, Canadian Forces – Regular Force and Royal Canadian Mounted Police members contribute at different rates than public service Group 2 members. These rates are as follows:

Public service Group 1 members, Canadian Forces – Regular Force and Royal Canadian Mounted Police pension plan members contributed:

- for the first nine months of the 2015 fiscal year, 7.5 percent (6.9 percent in 2014) of salary up to the Yearly Maximum Pensionable Earnings (YMPE) for the CPP or QPP and 9.8 percent (9.2 percent in 2014) of salary above the YMPE; and
- for the last three months of the 2015 fiscal year, 8.2 percent (7.5 percent in 2014) of salary up to the YMPE and 10.4 percent (9.8 percent in 2014) of salary above the YMPE.

Public service Group 2 plan members contributed:

- for the first nine months of the 2015 fiscal year, 6.6 percent (6.3 percent in 2014) of salary up to the YMPE for the CPP or QPP and 7.9 percent (7.6 percent in 2014) of salary above the YMPE; and
- for the last three months of the 2015 fiscal year, 7.1 percent (6.6 percent in 2014) of salary up to the YMPE and 8.5 percent (7.9 percent in 2014) of salary above the YMPE.

Contribution rates for Group 2 members were lower than for Group 1 members due to the lower cost of the benefits related to increasing the normal age of retirement from 60 to 65.

Members of the Canadian Forces – Reserve Force contribute 5.2 percent on salary up to two thirds of the YMPE.

Employer contributions are made monthly to provide for the cost (net of employee contributions) of the benefits that have accrued in respect of that month at a rate determined by the President of the Treasury Board. For 2015, the employer contribution rates were about 1.4, 1.9 and 1.6 (1.6, 2.1and 1.8 respectively in 2014) times the current year's employee contribution for the plans under the *Public Service Superannuation Act*, the *Canadian Forces Superannuation Act* (Regular and Reserve Force pension plans) and the *Royal Canadian Mounted Police Superannuation Act*, respectively. For new members joining the public service pension plan, on or after January 1, 2013, employer contributions were about 1.4 (1.5 in 2014) times the employee contribution. With respect to the Reserve force pension plan, the employer contributions, which were suspended in October 2011, were reinstated in December 2014 following the tabling of the *Actuarial Report on the Pension Plan for the Canadian Forces Reserve Force as at March 31, 2013*, since the actuarial report revealed that the non-permitted surplus no longer existed. For 2015, the employer contribution rate was about 1.8 times the current year's employee contribution for the Reserve Force pension plan. In addition, a one-time payment in arrears of $42 million was credited to the Reserve Force Pension Fund Account to cover the employer contributions for the period of April 2013 to November 2014.

The superannuation accounts, which record the transactions that pertain to pre April 1, 2000 service, are credited with interest at rates that are based on the Government of Canada long-term bond rate. The average interest rate credited to the superannuation accounts was approximately 5.1 percent (5.3 percent in 2014).

The pension fund accounts, which record the transactions that pertain to service since April 1, 2000, are flow through accounts used to transfer funds to the PSPIB. The balance in the pension fund accounts at year-end represents the amounts awaiting transfer to the PSPIB.

The retirement compensation arrangements (RCA) accounts records transactions for those pension benefits above the pension limits set under the *Income Tax Act*. The RCA, Regulations No. 1 and No. 2 are registered with the Canada Revenue Agency and a transfer is made annually between these RCA regulations and the Canada Revenue Agency, either to remit a 50 percent refundable tax in respect of the net contributions and interest credits or to receive a refund based on the net benefit payments.

Members of Parliament retiring allowances

Members of Parliament are eligible at a certain age to receive a basic allowance upon termination of membership and after having contributed to the plan for at least six years. Retirement age is set at 55 for pensionable service incurred before January 1, 2016 and at 65 for pensionable service incurred on or after January1, 2016, with the option of reduced benefits for early retirement at age 55. The basic allowance is based on member's average sessional indemnity for the best five years and accrues at a rate of 3 percent of average sessional indemnities for both Members of the House of Commons and for Senators. Basic allowances are indexed annually on January 1 to the cost of living once recipients reach age 60. Pensionable service accrued on or after January 1, 2016, under the Members of Parliament pension plan will be coordinated with the CPP or QPP at age 60.

The contribution rates will increase over time to bring the plan members' share to 50 percent by no later than January 1, 2017. For the 2015 fiscal year, plan members contributed at a rate of 9 percent (8 percent in 2014) of their salary for the first 9 months and 10 percent (9 percent in 2014) for the last three months.

The Government contributions are made monthly to provide for the cost (net of plan member contributions) of the benefits that have accrued in respect of that month at a rate determined by the President of the Treasury Board. The Government contributions, expressed as a multiple of plan member contributions, are on average as follows:

	2015	2014
Members of Parliament —		
Retiring allowances account	4.5	4.5
Compensation arrangements account	4.1	5.1

Contributions are credited to the appropriate pension account, either the Members of Parliament Retiring Allowances Account or the Members of Parliament Retirement Compensation Arrangements Account. The pension accounts are also credited with interest at the rate of 2.5 percent per quarter before January 1, 2013, then at the rate determined by the Chief Actuary of Canada. The average interest rate credited to the pension accounts in 2015 was approximately 3.4 percent (4.2 percent in 2014).

Pension plan for federally appointed judges

This plan provides fully indexed annuities to judges and to all eligible survivors providing they meet minimum age and service requirements. The full benefit amount is generally payable when the member has completed 15 years of pensionable service and the sum of the member's age and years of service totals 80.

Judges appointed to the bench before February 17, 1975, make required contributions of 1.5 percent of salary. All other judges contribute 7 percent of salary.

Legislation does not require a specific pension account to be maintained to record the transactions pertaining to this plan. Therefore, except for the portion recorded in the Supplementary Retirement Benefit Account, the liability pertaining to this plan is recorded through an allowance account. During the year, benefits paid are recorded as expenditures against the statutory payment authority. The expense is adjusted at year-end through an allowance account, to bring the current year expense from cash to an accrual accounting basis, similar to that of the other pension plans. During the year, the benefit payments charged to the expenditure authority amounted to $136 million ($129 million in 2014). At March 31, 2015, the portion of the pension liability recorded through an allowance account for the judges' pension plan amounted to $2,314 million ($2,203 million in 2014).

Consolidated Crown corporation and other entity pension plans

Pension benefits provided under consolidated Crown corporations and other entities defined benefit pension plans vary depending on the terms of the plans. Some of the consolidated Crown corporations and other entities defined benefit pension plans are closed to new entrants.

ii. Actuarial valuations

As required under the *Public Pensions Reporting Act*, actuarial valuations of the pension plans sponsored by the Government are performed at least every three years for funding purposes. The actuarial valuations are performed by the Office of the Chief Actuary, submitted to the President of the Treasury Board and tabled in Parliament.

The most recent date for the actuarial valuation of each pension plan sponsored by the Government is as follows:

Public Service – March 31, 2014;

Canadian Forces – Regular Force – March 31, 2013;

Canadian Forces – Reserve Force – March 31, 2013;

Royal Canadian Mounted Police – March 31, 2012;

Members of Parliament – March 31, 2013; and

Federally appointed judges – March 31, 2013.

The actuarial valuations for the public service, Canadian Forces, Royal Canadian Mounted Police and Members of Parliament pension plans include the valuation of the Retirement Compensation Arrangements (RCA) component related to each plan.

These funding valuations provide the Government with recommendations for setting both employer and employee contribution rates, as well as any actuarial adjustment to amortize deficiencies or excesses. These actuarial adjustments are made in equal instalments over a period not exceeding 15 years commencing in the year in which the actuarial report is laid before Parliament.

To address deficiencies, an actuarial adjustment of $435 million ($435 million in 2014) was credited in the Public Service Pension Fund Account, $170 million ($249 million in 2014) in the Canadian Forces Pension Fund Account, $2 million (nil in 2014) in the Reserve Force Pension Fund Account, $12 million ($12 million in 2014) in the Royal Canadian Mounted Police Superannuation Account, $74 million ($74 million in 2014) in the Royal Canadian Mounted Police Pension Fund Account and $8 million ($8 million in 2014) in the Retirement Compensation Arrangements (RCA) Account No. 2. No actuarial adjustments were debited to the accounts ($280 million in the Members of Parliament Retiring Allowances Account and $30 million in the Members of Parliament Retirement Compensation Arrangements Account in 2014) to address excesses. The actuarial adjustments recorded in pension fund accounts are transferred to the PSPIB for investment in capital markets. To address deficiencies, the consolidated Crown corporations and other entities made special funding payments of $60 million in 2015.

Table 6.15 presents a summary of the balances and transactions for public sector pension plan liabilities. In particular, receipts and other credits for the Government's pension accounts consist of contributions from plan members, the Government of Canada, participating Public Service corporations and territorial governments, as well as transfers from other pension funds, actuarial adjustments to amortize deficiencies, refunds of refundable tax and interest. Payments and other charges for the Government's pension accounts consist of annuity payments, minimum benefits, cash termination allowances (lump sum payments to employees suffering a disability), returns of contributions, pension division payments, transfer value payments, transfers to other funds, remittances of refundable tax, payments of administrative expenses, actuarial adjustments to amortize excesses, and transfers to PSPIB. Adjustments to the Government's allowance accounts result from the differential with annual actuarial valuations performed for accounting purposes. These include differences between benefits earned and contributions and interest calculations, as well as from other adjustments required under the Government's accounting policies such as recognition of actuarial gains and losses and consolidation adjustments related to refundable tax amounts.

Pension benefits funded by the Government relate to post March 2000 service that falls within the *Income Tax Act* limits for the three main public sector pension plans and all service for the Canadian Force – Reserve Force pension plan, as funds are invested in capital markets through the PSPIB. Funded pension benefits also relate to consolidated Crown corporations and other entities where pension plans' funds are held in external trusts that are legally separate from Crown corporations and other entities. For unfunded pension plans, separate market invested funds are not maintained. These relate to pre April 2000 service and post March 2000 service that falls above the *Income Tax Act* limits for the three main public sector pension plans, all service periods for the pension plans of the federally appointed judges and Members of Parliament, and some of the consolidated Crown corporation and other entity pension plans.

Table 6.15

Public Sector Pensions

(in millions of dollars)

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
Funded pension benefits —				
Public Service Pension Fund Account, Table 6.18	500	4,887	4,985	402
Allowance for pension adjustments	3,752	308	475	3,585
Subtotal	*4,252*	*5,195*	*5,460*	*3,987*
Canadian Forces Pension Fund Account, Table 6.20	263	1,438	1,518	183
Allowance for pension adjustments	1,030	235	297	968
Subtotal	*1,293*	*1,673*	*1,815*	*1,151*
Reserve Force Pension Fund Account, Table 6.21	2	95	99	(2)
Allowance for pension adjustments	248	105	76	277
Subtotal	*250*	*200*	*175*	*275*
Royal Canadian Mounted Police Pension Fund Account, Table 6.23	11	533	537	7
Allowance for pension adjustments	340	37	74	303
Subtotal	*351*	*570*	*611*	*310*
Total pension fund accounts	776	6,953	7,139	590
Total allowance for pension adjustments	5,370	685	922	5,133
Pension benefit liabilities related to funded plans sponsored by the Government	6,146	7,638	8,061	5,723
Pension benefit assets related to funded plans sponsored by consolidated Crown corporations and other entities	(938)	81	406	(1,263)
Net pension benefit liabilities related to funded plans	5,208	7,719	8,467	4,460
Unfunded pension benefits —				
Public Service Superannuation Account, Table 6.17	96,424	4,830	5,378	95,876
Allowance for pension adjustments	(9,690)	498	280	(9,472)
Subtotal	*86,734*	*5,328*	*5,658*	*86,404*
Canadian Forces Superannuation Account, Table 6.19	46,297	2,315	2,493	46,119
Allowance for pension adjustments	(5,090)	297	129	(4,922)
Subtotal	*41,207*	*2,612*	*2,622*	*41,197*
Royal Canadian Mounted Police Superannuation Account, Table 6.22	13,185	670	658	13,197
Allowance for pension adjustments	(1,326)	71	36	(1,291)
Subtotal	*11,859*	*741*	*694*	*11,906*
Members of Parliament Retiring Allowances Account, Table 6.24	497	31	27	501
Allowance for pension adjustments	(73)	5	4	(72)
Subtotal	*424*	*36*	*31*	*429*
Members of Parliament Retirement Compensation Arrangements Account, Table 6.25	224	31	17	238
Allowance for pension adjustments	204	7	2	209
Subtotal	*428*	*38*	*19*	*447*
Retirement Compensation Arrangements (RCA) Account, Table 6.26	2,154	274	208	2,220
Allowance for pension adjustments	1,732	93	89	1,736
Subtotal	*3,886*	*367*	*297*	*3,956*
Supplementary Retirement Benefits Account (Judges), Table 6.27	196	10		206
Allowance for pension adjustments	2,203	131	20	2,314
Subtotal	*2,399*	*141*	*20*	*2,520*
Supplementary Retirement Benefits Account (Others), Table 6.27				
Total superannuation accounts	158,977	8,161	8,781	158,357
Total allowance for pension adjustments	(12,040)	1,102	560	(11,498)
Pension benefit liabilities related to unfunded plans sponsored by the Government	146,937	9,263	9,341	146,859
Pension benefit liabilities related to unfunded plans sponsored by consolidated Crown corporations and other entities	79	7	4	82
Pension benefit liabilities related to unfunded plans	147,016	9,270	9,345	146,941
Net pension benefit liabilities	152,224	16,989	17,812	151,401

The net pension benefit liabilities were recognized and presented in the Consolidated Statement of Financial Position as follows:

Public sector pension liabilities	153,162	16,908	17,406	152,664
Public sector pension assets	(938)	81	406	(1,263)
Net pension benefit liabilities	152,224	16,989	17,812	151,401

A significant class of pension benefits related to consolidated Crown corporations and other entities was reclassified from other accounts payable and accrued liabilities to public sector pensions.

Table 6.16 presents a summary of transactions in public sector pensions that resulted in charges to expenses. Interest is calculated based on the accrued pension obligations under the various plans. The net interest expense represents interest of $7,906 million ($8,341 million in 2014) credited to the superannuation accounts in accordance with the pension legislation, a provision of $4,240 million ($3,844 million in 2014) and interest of $414 million ($421 million in 2014) on the consolidated Crown corporations and other entities' obligations, shown net of $4,764 million ($3,961 million in 2014) in expected return on pension investments.

Table 6.16

Summary of Transactions in Public Sector Pensions that Resulted in Charges to Expenditures

(in millions of dollars)

	2014-2015									2013-2014	
	Government contributions and other [1]	Adjustment	Net benefits earned	Actuarial adjustments [2]	Less costs recorded in previous years [3]	Plan curtailment	Actuarial losses (gains) recognized	Pension expense	Net interest expense	Pension expense	Net interest expense
Funded pension benefits —											
Public Service Pension Fund Account	2,342	71	2,413	435	(435)	(40)	44	2,417	193	2,949	352
Canadian Forces Pension Fund Account	795	(22)	773	170	(170)		134	907	101	1,087	153
Reserve Force Pension Fund Account	65	(51)	14	2	(2)		(20)	(6)	(3)	23	7
Royal Canadian Mounted Police Pension Fund Account	278	1	279	74	(74)		18	297	18	332	36
Consolidated Crown corporations and other entities [1]	152	(70)	82	60	(60)		(84)	(2)	(110)	38	(57)
Total funded pension benefits	3,632	(71)	3,561	741	(741)	(40)	92	3,613	199	4,429	491
Unfunded pension benefits —											
Public Service Superannuation Account [4]	14	(32)	(18)			(8)	498	472	4,558	821	4,921
Canadian Forces Superannuation Account	3	(6)	(3)				297	294	2,185	352	2,358
Defence Services Pension Continuation Act [1]	3		3					3		4	
Royal Canadian Mounted Police Superannuation Account		(1)	(1)	12	(12)		71	70	634	81	679
Royal Canadian Mounted Police Continuation Act [1]	11		11					11		12	
Members of Parliament Retiring Allowances Account	9		9				5	14	16	13	12
Members of Parliament Retirement Compensation Arrangements Account	17	1	18				2	20	8	19	6
Retirement Compensation Arrangements (RCA) Account	105	(23)	82	8	(8)	(3)	(14)	65	99	115	106
Supplementary Retirement Benefits Account	4		4					4		3	
Judges Act [1]	136	(20)	116				41	157	93	159	69
Other (diplomatic services, lieutenant governors, etc.) [1]	2		2					2		2	
Consolidated Crown corporations and other entities		2	2				1	3	4	3	3
Subtotal	304	(79)	225	20	(20)	(11)	901	1,115	7,597	1,584	8,154
Less: contributions from the Judges plan recorded to revenues	(14)		(14)					(14)		(14)	
Total unfunded pension benefits	290	(79)	211	20	(20)	(11)	901	1,101	7,597	1,570	8,154
Total reported in the Consolidated Statement of Operations and Accumulated Deficit	3,922	(150)	3,772	761	(761)	(51)	993	4,714	7,796	5,999	8,645

A significant class of pension benefits related to consolidated Crown corporations and other entities was reclassified from other accounts payable and accrued liabilities to public sector pensions.

(1) "Other" includes consolidated Crown corporations and other entities' contributions to their pension plans and statutory payments made to beneficiaries.

(2) Represents actuarial adjustments to amortize deficiencies and excesses.

(3) Represents the reversal of costs already recorded in the allowance for pension adjustments of previous years.

(4) Includes payments under the *Supplementary Retirement Benefits Act* and various acts.

Public Service Superannuation Account

This account, established by the *Public Service Superannuation Act*, is used to record all transactions (contributions, benefit payments, transfers and interest credits) in respect of service accrued by public service members up to March 31, 2000.

Table 6.17
Public Service Superannuation Account

	2014-2015	2013-2014
	$	$
Opening balance	96,423,778,971	96,648,001,666
Receipts and Other Credits —		
Employee contributions —		
Government employees	2,613,256	3,974,740
Retired employees	14,933,384	17,027,791
Public Service corporation employees	196,820	261,641
Employer contributions —		
Government	14,472,374	17,233,070
Public Service corporations	112,735	242,124
Transfers from other pension funds		391,468
Interest	4,797,893,981	5,061,490,938
Total receipts and other credits	4,830,222,550	5,100,621,772
Subtotal	101,254,001,521	101,748,623,438
Payments and Other Charges —		
Benefit payments		
Annuities	5,240,665,149	5,163,832,472
Minimum benefits	16,184,060	16,775,306
Pension division payments	18,100,278	29,996,061
Pension transfer value payments	34,531,513	45,395,025
Return of contributions		
Government employees	721,888	154,483
Public Service corporation employees	31,857	141,859
Transfers to other pension funds	9,343,265	10,651,878
Administrative expenses	58,478,052	57,897,383
Total payments and other charges	5,378,056,062	5,324,844,467
Closing balance	95,875,945,459	96,423,778,971

Public Service Pension Fund Account

This account is used to record the transactions in respect of service accrued on or after April 1, 2000, under the *Public Service Superannuation Act*. An amount equal to contributions less benefits and other payments is transferred to the PSPIB for investment in capital markets. The closing balance in this account represents the net cash position prior to transfer to the PSPIB.

Table 6.18
Public Service Pension Fund Account

	2014-2015	2013-2014
	$	$
Opening balance	499,943,338	550,792,204
Receipts and Other Credits —		
Employee contributions —		
Government employees	1,667,207,395	1,586,029,379
Retired employees	38,077,475	36,906,148
Public Service corporation employees	157,358,746	151,031,744
Employer contributions —		
Government	2,342,382,010	2,519,014,713
Public Service corporations	218,193,085	242,823,824
Actuarial adjustment	435,000,000	435,000,000
Transfers from other pension funds	29,619,344	95,280,934
Total receipts and other credits	4,887,838,055	5,066,086,742
Payments and Other Charges —		
Benefit payments —		
Annuities	1,343,904,637	1,143,851,882
Minimum benefits	11,322,140	11,418,925
Pension division payments	26,204,917	27,576,454
Pension transfer value payments	279,072,403	302,264,857
Return of contributions —		
Government employees	7,572,183	9,638,773
Public Service corporation employees	3,533,886	3,505,117
Transfers to other pension funds	52,019,965	48,803,327
Administrative expenses	41,056,225	35,110,461
Total payments and other charges	1,764,686,356	1,582,169,796
Receipts and other credits less payments and other charges	3,123,151,699	3,483,916,946
Transfers to PSPIB	3,220,804,650	3,534,765,812
Closing balance	402,290,387	499,943,338

Canadian Forces Superannuation Account

This account, established by the *Canadian Forces Superannuation Act*, is used to record all transactions (contributions, benefit payments, transfers and interest credits) in respect of service accrued by Canadian Armed Forces members up to March 31, 2000.

Table 6.19
Canadian Forces Superannuation Account

	2014-2015	2013-2014
	$	$
Opening balance	46,297,375,844	46,357,136,100
Receipts and Other Credits —		
Contributions from personnel	2,717,194	2,771,407
Contributions by the Government	2,717,194	2,771,407
Interest	2,308,115,023	2,427,304,029
Other [1]	1,066,108	1,303,108
Total receipts and other credits	2,314,615,519	2,434,149,951
Subtotal	48,611,991,363	48,791,286,051
Payments and Other Charges —		
Benefit payments —		
Pensions and retiring allowances	2,426,059,524	2,418,117,579
Minimum benefits	658,347	510,547
Pension division payments	33,211,687	41,067,717
Pension transfer value payments	1,906,716	2,038,584
Return of contributions	18,298	4,054
Transfers to other pension funds	205,620	534,304
Administrative expenses	31,280,608	31,637,422
Total payments and other charges	2,493,340,800	2,493,910,207
Closing balance	46,118,650,563	46,297,375,844

[1] Includes unclaimed cheques, returned annuity payments upon joining a Government pension plan and returned payments from prior years.

Canadian Forces Pension Fund Account

This account is used to record the transactions in respect of service accrued on or after April 1, 2000, in accordance with Part I of the *Canadian Forces Superannuation Act*. An amount equal to contributions less benefits and other payments is transferred to the PSPIB for investment in capital markets. The closing balance in this account represents the net cash position prior to transfer to the PSPIB.

Table 6.20
Canadian Forces Pension Fund Account

	2014-2015	2013-2014
	$	$
Opening balance	263,355,393	276,095,519
Receipts and Other Credits —		
Contributions from personnel	423,930,301	396,753,920
Contributions by the Government	795,171,662	839,980,653
Actuarial adjustment	170,000,000	249,000,000
Transfers from other pension funds	48,449,248	22,679,991
Other [1]	14,476	71,702
Total receipts and other credits	1,437,565,687	1,508,486,266
Payments and Other Charges —		
Benefit payments —		
Pensions and retiring allowances	375,524,290	317,768,166
Minimum benefits	1,236,235	765,816
Pension division payments	28,887,588	32,917,206
Pension transfer value payments	152,155,635	141,162,757
Return of contributions	927,893	927,654
Transfers to other pension funds	505,487	1,182,251
Administrative expenses	18,292,463	16,663,986
Total payments and other charges	577,529,591	511,387,836
Receipts and other credits less payments and other charges	860,036,096	997,098,430
Transfers to PSPIB	939,925,712	1,009,838,556
Closing balance	183,465,777	263,355,393

[1] Includes unclaimed cheques and returned annuity payments upon joining a Government pension plan.

Reserve Force Pension Fund Account

This account is used to record the transactions in respect of service accrued on or after March 1, 2007, in accordance with Part I.1 of the *Canadian Forces Superannuation Act*. An amount equal to contributions less benefits and other payments is usually transferred to the PSPIB for investment in capital markets. Employer contributions, which were suspended in October 2011, were reinstated in December 2014 following the tabling of the *Actuarial Report on the Pension Plan for the Canadian Forces Reserve Force as at March 31, 2013*, since the actuarial report revealed that the non-permitted surplus no longer existed. The closing balance in this account represents the net cash position prior to transfer to the PSPIB.

Table 6.21
Reserve Force Pension Fund Account

	2014-2015	2013-2014
	$	$
Opening balance	1,609,568	13,234,366
Receipts and Other Credits —		
Contributions from personnel	28,285,286	27,324,355
Contributions by the Government	65,160,998	12,917,754
Actuarial adjustment	1,900,000	
Other [1]	1,550	
Total receipts and other credits	95,347,834	40,242,109
Payments and Other Charges —		
Benefit payments —		
Pensions and retiring allowances	5,233,714	4,466,218
Minimum benefits	60,485	14,329
Pension transfer value payments	12,934,442	11,782,916
Return of contributions	90,747	117,139
Transfer to other pension funds	48,426,486	22,499,217
Administrative expenses	13,703,701	12,987,088
Total payments and other charges	80,449,575	51,866,907
Receipts and other credits less payments and other charges	14,898,259	(11,624,798)
Transfers to PSPIB	19,059,670	
Closing balance	(2,551,843)	1,609,568

[1] Includes unclaimed cheques.

Royal Canadian Mounted Police Superannuation Account

This account, established by the *Royal Canadian Mounted Police Superannuation Act*, is used to record all transactions (contributions, benefit payments, transfers and interest credits) in respect of service accrued by Royal Canadian Mounted Police members up to March 31, 2000.

Table 6.22
Royal Canadian Mounted Police Superannuation Account

	2014-2015	2013-2014
	$	$
Opening balance	13,184,685,451	13,124,862,672
Receipts and Other Credits —		
Contributions from personnel (current services and arrears)	445,328	635,140
Contributions by the Government	433,433	1,006,666
Actuarial adjustment	12,000,000	12,000,000
Interest	657,522,222	688,854,286
Total receipts and other credits	670,400,983	702,496,092
Subtotal	13,855,086,434	13,827,358,764
Payments and Other Charges —		
Benefit payments —		
Annuities and allowances	629,035,127	608,138,291
Cash termination allowance and gratuities	258,112	414,215
Pension division payments	11,624,932	8,919,639
Pension transfer value payments	1,816,571	893,751
Return of contributions	344,657	75,413
Transfers to other pension funds	77,096	39,410
Administrative expenses	14,722,162	24,192,594
Total payments and other charges	657,878,657	642,673,313
Closing balance	13,197,207,777	13,184,685,451

Royal Canadian Mounted Police Pension Fund Account

This account is used to record the transactions in respect of service accrued on or after April 1, 2000, under the *Royal Canadian Mounted Police Superannuation Act*. An amount equal to contributions less benefits and other payments is transferred to the PSPIB for investment in capital markets. The closing balance in this account represents the net cash position prior to transfer to the PSPIB.

Table 6.23

Royal Canadian Mounted Police Pension Fund Account

	2014-2015	2013-2014
	$	$
Opening balance	10,962,617	69,187,954
Receipts and Other Credits —		
Contributions from personnel (current services and arrears)	169,627,163	156,961,854
Contributions by the Government	277,612,254	288,267,058
Actuarial adjustment	74,000,000	74,000,000
Transfers from other pension funds	11,864,616	5,062,568
Total receipts and other credits	533,104,033	524,291,480
Payments and Other Charges —		
Benefit payments		
Annuities and allowances	117,650,733	98,094,194
Minimum benefits	212	230,963
Pension division payments	12,756,823	7,710,279
Pension transfer value payments	23,648,648	10,870,592
Return of contributions		
Personnel	415,768	88,354
Interest	1,500	27,562
Transfers to other pension funds	473,148	683,982
Administrative expenses	8,209,554	12,385,262
Total payments and other charges	163,156,386	130,091,188
Receipts and other credits less payments and other charges	369,947,647	394,200,292
Transfers to PSPIB	374,442,871	452,425,629
Closing balance	6,467,393	10,962,617

Members of Parliament Retiring Allowances Account

This account was established by the *Members of Parliament Retiring Allowances Act* to provide pension benefits to eligible Members of Parliament who contributed to the plan. "Member" means a Member of the Senate or the House of Commons. Benefits are also available to eligible surviving spouses or eligible dependent children of Members who served on or after a certain date and contributed under the Act.

Table 6.24

Members of Parliament Retiring Allowances Account

	2014-2015	2013-2014
	$	$
Opening balance	496,466,754	755,805,893
Receipts and Other Credits —		
Members' contributions —		
Current services	1,973,821	2,014,865
Arrears of principal, interest and mortality insurance	12,477	14,394
Government contributions (current services)	8,855,514	8,916,866
Interest	20,367,021	36,078,041
Total receipts and other credits	31,208,833	47,024,166
Subtotal	527,675,587	802,830,059
Payments and Other Charges —		
Benefit payments		
Annual allowances	26,640,665	26,329,938
Return of contributions —		
Withdrawals	13,936	32,157
Interest	209	1,210
Actuarial adjustment		280,000,000
Total payments and other charges	26,654,810	306,363,305
Closing balance	501,020,777	496,466,754

Members of Parliament Retirement Compensation Arrangements Account

This account was established by the *Members of Parliament Retiring Allowances Act* to provide for benefits in respect of pension credits accrued by Members of Parliament which are not payable out of the Members of Parliament Retiring Allowances Account. Benefits are also available to eligible surviving spouses or eligible dependent children of Members.

Table 6.25
Members of Parliament Retirement Compensation Arrangements Account

	2014-2015	2013-2014
	$	$
Opening balance	224,403,100	243,993,039
Receipts and Other Credits —		
Members' contributions —		
Current services	4,149,123	3,426,803
Arrears of principal, interest and mortality insurance	27,370	32,258
Government contributions (current services)	17,061,626	17,500,384
Interest	9,435,453	11,878,044
Total receipts and other credits	30,673,572	32,837,489
Subtotal	255,076,672	276,830,528
Payments and Other Charges —		
Benefit payments —		
Annual allowances	12,912,355	12,355,325
Return of contributions —		
Withdrawals	45,225	69,032
Interest	522	1,587
Refundable tax	4,304,614	10,001,484
Actuarial adjustment		30,000,000
Total payments and other charges	17,262,716	52,427,428
Closing balance	237,813,956	224,403,100

Retirement Compensation Arrangements (RCA) Account

This account was established by the *Special Retirement Arrangements Act* to provide pension benefits for federal employees under retirement compensation arrangements.

The RCA Regulations, No.1 (RCA No. 1) pays those pension benefits above the amount that may, in accordance with the *Income Tax Act* restrictions on registered pension plans, be paid under the *Public Service Superannuation Act*, the *Canadian Forces Superannuation Act* and the *Royal Canadian Mounted Police Superannuation Act*. The RCA No.1 was created effective December 15, 1994.

The RCA Regulations, No.2 (RCA No. 2) pays benefits to public service employees between the ages of 50 and 54, who were declared surplus as part of a three year Government downsizing initiative which ended on March 31, 1998. It pays the difference between an unreduced pension and the reduced pension for early retirement payable from the Public Service Superannuation Account. The RCA No.2 was created effective April 1, 1995, and is funded entirely by the Government.

Table 6.26
Retirement Compensation Arrangements (RCA) Account

	RCA No.1						RCA No.2			
	Public Service		Canadian Forces		Royal Canadian Mounted Police		Public Service		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
	$	$	$	$	$	$	$	$	$	$
Opening balance	1,040,164,699	975,251,232	351,185,693	329,950,629	32,475,115	31,534,253	729,836,159	749,295,712	2,153,661,666	2,086,031,826
Receipts and Other Credits —										
Employee contributions										
Government employees	10,065,769	10,588,750	2,545,185	2,370,829	124,274	150,376			12,735,228	13,109,955
Retired employees	420,128	264,330			1,885	670			422,013	265,000
Public Service corporation employees	2,006,026	1,721,296							2,006,026	1,721,296
Employer contributions										
Government	75,678,400	83,641,858	28,844,798	28,525,250	628,765	868,308			105,151,963	113,035,416
Public Service corporations	14,750,273	13,501,115							14,750,273	13,501,115
Actuarial adjustment							8,000,000	8,000,000	8,000,000	8,000,000
Transfers from other pension funds	696,131	24,845			905	1,455			697,036	26,300
Refundable tax							20,127,193	18,797,103	20,127,193	18,797,103
Interest	54,330,519	54,134,392	18,267,496	18,150,993	1,649,328	1,691,539	35,493,565	38,383,183	109,740,908	112,360,107
	157,947,246	163,876,586	49,657,479	49,047,072	2,405,157	2,712,348	63,620,758	65,180,286	273,630,640	280,816,292
	1,198,111,945	1,139,127,818	400,843,172	378,997,701	34,880,272	34,246,601	793,456,917	814,475,998	2,427,292,306	2,366,848,118
Payments and Other Charges —										
Benefit payments										
Annuities	30,744,211	26,098,541	5,314,519	4,686,817	907,151	833,805	84,608,122	84,639,839	121,574,003	116,259,002
Minimum benefits	165,375	165,922	130,424						295,799	165,922
Pension division payments	737,864	903,333		223,681					737,864	1,127,014
Pension transfer value payments	548,456	324,334	1,458,834	894,069	4.170				2,011,460	1,218,403
Return of contributions										
Government employees	6,225	18,401			2,927	18			9,152	18,419
Public Service corporation employees	55,168	5,809							55,168	5,809
Transfers to other pension funds	267,634	1,747,052			3,445	24,072			271,079	1,771,124
Refundable tax	61,260,886	69,699,727	20,408,583	22,007,441	803,334	913,591			82,472,803	92,620,759
	93,785,819	98,963,119	27,312,360	27,812,008	1,721,027	1,771,486	84,608,122	84,639,839	207,427,328	213,186,452
Closing balance	1,104,326,126	1,040,164,699	373,530,812	351,185,693	33,159,245	32,475,115	708,848,795	729,836,159	2,219,864,978	2,153,661,666

Supplementary Retirement Benefits Account

This account was established by the *Supplementary Retirement Benefits Act* to provide for pension benefit increases resulting from changes in the Consumer Price Index. The account continues to provide for increased pension benefits resulting from indexation for pensions of federally appointed judges, and recipients of pensions under various continuation acts and other related acts.

Table 6.27
Supplementary Retirement Benefits Account

	Judges		Others [1]		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
	$	$	$	$	$	$
Opening balance	196,642,456	186,874,741	651,476	605,733	197,293,932	187,480,474
Receipts and Other Credits —						
Employee contributions —						
Government	3,393,911	3,267,632	31,265	32,677	3,425,176	3,300,309
Employer contributions —						
Government	3,393,911	3,267,632	31,265	32,677	3,425,176	3,300,309
Interest	2,952,920	3,232,451	10,509	11,664	2,963,429	3,244,115
Total receipts and other credits	9,740,742	9,767,715	73,039	77,018	9,813,781	9,844,733
Subtotal	206,383,198	196,642,456	724,515	682,751	207,107,713	197,325,207
Payments and Other Charges —						
Annuities			35,533	31,275	35,533	31,275
Closing balance	206,383,198	196,642,456	688,982	651,476	207,072,180	197,293,932

(1) Includes lieutenant governors and non-career diplomats.

Allowance for Pension Adjustments

This account records the accounting adjustments resulting from annual actuarial valuations of public sector pension plans sponsored by the Government.

Actuarial losses of $1,076 million ($2,012 million in 2014), due to plan experience and changes in actuarial assumptions, were recognized in this account and increased pension expenses for the year.

An amount of $701 million ($468 million in 2014) was recorded in this account to offset the amortization of deficiencies of $701 million ($778 million in 2014) charged to the account and no amount ($310 million in 2014) was credited for amortization of excesses to the account during the year but already accounted for in previous years expenses or in actuarial gains and losses.

An amount of $82 million ($11 million in 2014) was debited to this account and decreased pension costs to adjust for the difference between the Government contributions and the net cost of benefits earned.

An amount of $51 million (nil in 2014) was recorded in this account and decreased pension costs to adjust for the cost reduction of past service related to a curtailment that was made to the public service benefits during the year.

An amount of $4,240 million ($3,844 million in 2014) was credited to this account to adjust for the difference between interest based on the accrued pension obligations and interest credited to the superannuation accounts. In addition, an amount of $4,244 million ($3,486 million in 2014) was debited in this account to record the expected return on the pension investments.

As well, a consolidation adjustment of $67 million ($84 million in 2014) was credited to this account and debited against personal tax revenues to eliminate the effect of internal transactions resulting from tax amounts debited to the RCA accounts that were previously recorded as tax revenues.

The unrecognized net actuarial loss of $11,164 million ($9,442 million in 2014) will be recognized in this account and will affect expenses in future years.

As a result of annual actuarial valuations for accounting purposes, the accrued pension obligations of $265,103 million ($247,428 million in 2014) less the pension assets of $101,357 million ($84,903 million in 2014) were found to be $4,799 million ($2,772 million in 2014) higher than the balance of the pension fund accounts of $590 million ($776 million in 2014) and the superannuation accounts of $158,357 million ($158,977 million in 2014). The excess or shortfall is made up of the following:

(in millions of dollars)

	Excess (shortfall)	
	2015	2014
Public Service Pension Plan —		
Public Service Superannuation Account	(123)	4,360
Public Service Pension Fund	486	(3,250)
Retirement Compensation Arrangements	(1,960)	(1,503)
Total allowance for Public Service Pension Plan	(1,597)	(393)
Canadian Forces Pension Plan —		
Canadian Forces Superannuation Account	694	2,207
Canadian Forces Pension Fund	(648)	(1,805)
Reserve Force Pension Fund	(27)	65
Retirement Compensation Arrangements	(282)	(222)
Total allowance for Canadian Forces Pension Plan	(263)	245
Royal Canadian Mounted Police Pension Plan —		
Royal Canadian Mounted Police Superannuation Account	(38)	420
Royal Canadian Mounted Police Pension Fund	11	(397)
Retirement Compensation Arrangements	(16)	(9)
Total allowance for Canadian Mounted Police Pension Plan	(43)	14
Members of Parliament Pension Plan —		
Members of Parliament Retiring Allowances	17	37
Retirement Compensation Arrangements	(238)	(224)
Total allowance for Members of Parliament Pension Plan	(221)	(187)
Pension plan for federally appointed judges	(2,675)	(2,451)
Total	(4,799)	(2,772)

Other Employee and Veteran Future Benefits

The Government and the consolidated Crown corporations and other entities sponsor different types of future benefit plans with varying terms and conditions. The benefits are available to employees and former employees (including military or Royal Canadian Mounted Police members) during or after employment, or upon retirement. Some are considered retirement benefits, whereby benefits are expected to be provided after retirement to employees and their beneficiaries or dependants. Others are considered post-employment benefits, whereby benefits are expected to be paid after employment but before retirement. Benefits for veterans are paid to war veterans, as well as to Canadian Forces retired veterans and Canadian Forces still-serving members. Benefits for members of the Royal Canadian Mounted Police are paid to both current and former members. These are primarily post-employment benefits, but some benefits are also paid during employment to still-serving members. They include disability and associated benefits paid to veterans or Royal Canadian Mounted Police members, or to their beneficiaries and dependants.

The other major future benefits include health care and dental benefits available to retired employees and retired military and Royal Canadian Mounted Police members, accumulated sick leave entitlements and post-employment benefits such as workers' compensation benefits and severance benefits that accumulate.

Table 6.28 presents the balance of these liabilities at year-end.

Table 6.28
Other Employee and Veteran Future Benefits

(in millions of dollars)

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
Veterans' disability and other future benefits	36,735	6,970	3,079	40,626
Royal Canadian Mounted Police disability and other future benefits	4,127	806	152	4,781
Public Service Health Care Plan	21,667	1,299	763	22,203
Pensioners' Dental Services Plan	2,999	258	82	3,175
Severance and other benefits	3,365	196	1,220	2,341
Accumulated sick leave entitlements	1,529	274	243	1,560
Workers' compensation	987	269	126	1,130
Consolidated Crown corporations and other entities	550	31	257	324
Total	71,959	10,103	5,922	76,140

A significant class of other employee future benefits related to consolidated Crown corporations and other entities was reclassified from other accounts payable and accrued liabilities to other employee and veteran future benefits.

All of the Government and almost all of the consolidated Crown corporations and other entities' sponsored plans are unfunded. The health care and the dental plans are contributory plans. Contributions by retired plan members are made to the plans to obtain coverage. Therefore the liabilities and costs are shown net of members' contributions. The accrued benefit obligations related to these plans is determined actuarially for accounting purposes. As at March 31, the recorded liabilities included the following components:

(in millions of dollars)

	2015					2014
	Accrued benefit obligations	Other future benefit assets	Unrecognized net actuarial gain (loss)	Benefits paid after measurement date up to March 31	Future benefit liabilities	Future benefit liabilities
Veterans' disability and other future benefits	60,558		(19,932)		40,626	36,735
Royal Canadian Mounted Police disability and other future benefits	8,941		(4,160)		4,781	4,127
Public Service Health Care Plan	25,695		(3,492)		22,203	21,667
Pensioners' Dental Services Plan	4,331		(1,156)		3,175	2,999
Severance and other benefits	3,505		(1,164)		2,341	3,365
Accumulated sick leave entitlements	1,606		(46)		1,560	1,529
Workers' compensation	1,299		(169)		1,130	987
Consolidated Crown corporations and other entities	328	(3)	1	(2)	324	550
Total	106,263	(3)	(30,118)	(2)	76,140	71,959

A significant class of other employee future benefits related to consolidated Crown corporations and other entities was reclassified from other accounts payable and accrued liabilities to other employee and veteran future benefits.

The cost of these benefits can accrue either during the service life of employees or upon occurrence of an event giving rise to the liability under the terms of the plans. An interest component is charged to expense based on the average accrued benefit obligation.

In 2015, amendments were made to the veteran future benefit plans thereby improving and expanding eligibility for certain benefits. This includes modifying the Earnings Loss Benefit to ensure that part-time Reserve Force veterans have access to the same minimum level of income support as Regular and full-time Reserve Force veterans and to ensure their benefits are calculated in the same way; expanding access to the Permanent Impairment Allowance to help compensate disabled veterans for the loss of career opportunities associated with their disabilities; and changes to vocational rehabilitation so that there is more flexibility in identifying a suitable employment goal – one that reflects both their military and civilian work experiences. Furthermore, access to treatment and long-term care benefits were improved by expanding services within the Operational Stress Injury Social Support Program as well as the transfer of the Sainte-Anne's Hospital to the government of Quebec effective April 1, 2016. New veteran future benefits were also created. This includes the Family Caregiver Relief Benefit which will provide annual financial support to eligible veterans who have an informal caregiver who plays an essential role in the provision or coordination of their care. The Retirement Income Security Benefit was created to provide additional financial security after the age of 65 for moderately to severely disabled veterans. The new Critical Injury Benefit will compensate eligible Canadian Armed Forces members and veterans for the immediate impacts of the most severe and traumatic service-related injuries or diseases between the time the injury occurs and the time when their condition becomes medically stable. These amendments resulted in a one-time past service cost of $1,828 million and the immediate recognition of a previously unrecognized net actuarial gain of $69 million.

With respect to the employee severance benefit plan, an amendment was agreed upon resulting in a one-time past service cost of $3 million ($23 million in 2014) and the immediate recognition of a previously unrecognized net actuarial gain of $3 million (nil in 2014).

In 2015, former employees of the Candu Reactor Division of Atomic Energy of Canada Limited ceased to be employed in the public service and became employed by a new employer. As a result, new regulations defer the availability of pensions under the PSSA for those individuals who choose to leave their accrued pension benefits under the PSSA until such time as they cease to be employed with the new employer. The impact of this curtailment is a one-time past service cost of $51 million and the immediate recognition of a previously unrecognized net actuarial gain of $6 million.

Beginning in 2011, the accumulation of severance benefits for voluntary departures ceased for certain employee groups. Employees subject to these changes are being given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. The impact of the curtailments is a one-time past service cost reduction of $3 million ($94 million in 2014) and the immediate recognition of a previously unrecognized net actuarial gain of $37 million (net actuarial loss of $69 million in 2014), representing the portion related to the obligation for employees subject to the curtailments.

In 2015, payments of $643 million ($1,178 million in 2014) were made to employees affected by the curtailments of the severance benefit plan who opted to cash out the full or partial value of their accumulated benefits. Because the actual cost of settling part of the obligation differed from the liability previously recorded, a one-time past service cost reduction of $49 million (past service cost of $127 million in 2014) was recognized along with a previously unrecognized net actuarial gain of $101 million (net actuarial loss of $131 million in 2014), representing the portion related to the obligation for employees subject to the settlements.

During the year, expenses relating to these benefits were as follows:

(in millions of dollars)

	2015								2014
	Benefits earned	Plan amendment	Plan curtailments	Plan settlements	Actuarial losses (gains) recognized	Net benefit expense	Interest cost	Total	Total
Veterans' disability and other future benefits	1,472	1,828			1,945	5,245	1,656	6,901	5,495
Royal Canadian Mounted Police disability and other future benefits	312				261	573	233	806	734
Public Service Health Care Plan	639				(282)	357	660	1,017	2,294
Pensioners' Dental Services Plan	99				42	141	117	258	323
Severance and other benefits	54	3	(3)	(49)	(151)	(146)	93	(53)	595
Accumulated sick leave entitlements	226				(14)	212	48	260	293
Workers' compensation	25				24	49	39	88	158
Consolidated Crown corporations and other entities	17				2	19	11	30	26
Total	2,844	1,831	(3)	(49)	1,827	6,450	2,857	9,307	9,918

A significant class of other employee future benefits related to consolidated Crown corporations and other entities was reclassified from other accounts payable and accrued liabilities to other employee and veteran future benefits.

Other Liabilities

Other liabilities include general liabilities established under the authority of section 64 of the *Financial Administration Act* as well as specified purpose accounts opened under the authority of section 21 of the *Financial Administration Act* or of other specific legislation. Specified purpose accounts are an accounting classification used to record transactions and expenditures in respect of money payable out of the Consolidated Revenue Fund under statutory authorities, pursuant to legislation, trusts, treaties, undertakings or contracts. Legislation relating to some of these accounts permits investments to be made and, in certain cases, the balances of the accounts earn interest.

Canada Pension Plan

The Canada Pension Plan (CPP) is a federal/provincial social insurance program established by an Act of Parliament in 1965. It began operations in 1966. The CPP is compulsory and in operation in all parts of Canada, except for the Province of Quebec. The objective of the program is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability or death. The CPP is financed from employees, employers and self-employed workers contributions, as well as investment earnings. The CPP's investments are held and managed by the Canada Pension Plan Investment Board (CPPIB).

The CPP is administered by the Government of Canada. As the CPP is controlled by both the Government of Canada and the provinces, its financial activities are not part of the Government's reporting entities.

The Minister of Employment and Social Development is responsible for the administration of the CPP under the *Canada Pension Plan* Act; the Minister of National Revenue is responsible for collecting contributions. The Minister of Finance and his provincial counterparts are responsible for setting CPP contribution rates, pension and benefit levels and funding policy. The CPPIB is responsible for managing the amounts that are being transferred under Section 108.1 of the *Canada Pension Plan* Act. It acts in the best interests of the beneficiaries and contributors under the Act.

As administrator of the CPP, the Government's authority to provide benefits is limited to the assets available for benefit payments of the CPP. At March 31, 2015, the fair value of the CPP's assets available for benefit payments is $269,615 million ($223,209 million in 2014).

The CPP Account (the Account) was established in the accounts of Canada pursuant to the *Canada Pension Plan* Act. The transactions of the CPP are recorded in the Account. CPP's revenues and expenses such as contributions, interests, investment income or loss from the CPP Investment Board, pension benefits and operating expenses, are reported as increases and decreases to this liability. The Account also tracks the amounts transferred to or received from the CPPIB. The CPPIB operates at arm's length from the Government and invests in a diversified portfolio of securities.

The detailed revenues, expenses, assets and liabilities of the CPP financial activities are reported separately in the CPP consolidated financial statements. The CPP's deposit with the Receiver General for Canada of $212 million ($140 million in 2014) corresponds to the balance in the Account and is reported as the Government's liability to the CPP at March 31, 2015.

Table 6.29 presents a reconciliation between the assets available for benefit payments shown in the CPP's consolidated financial statements and the Account, as well as a summary of the balances and transactions in the Account which result in the deposit with the Receiver General for Canada.

Table 6.29
Due to Canada Pension Plan

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Canada Pension Plan balance per audited consolidated financial statements —				
Assets available for benefit payments	223,209,402,654	85,686,664,988	39,281,352,700	269,614,714,942
Less:				
Receivables, net of liabilities	3,977,163,689	4,780,228,095	3,977,163,689	4,780,228,095
Accumulated net income from Canada Pension Plan Investment Board's operations	95,667,000,000	40,638,000,000		136,305,000,000
	123,565,238,965	*40,268,436,893*	*35,304,189,011*	*128,529,486,847*
Less: transfers to Canada Pension Plan Investment Board	123,424,789,372	31,129,812,073	36,022,449,678	128,317,426,977
Deposit with the Receiver General for Canada	140,449,593	71,398,248,966	71,326,638,689	212,059,870

Receipts and other credits include:

(a) contributions at the combined employer and employee rates of 9.9 percent of pensionable earnings for the 2014 and 2015 calendar years, subject to maximum combined contributions of $4,851 and $4,960 respectively and contributions to the post-retirement benefit pension according to provisions of Bill C-51 of 2009;

(b) income from the average daily operating balance deposited with the Receiver General for Canada;

(c) gains on investments held by the CPPIB; and

(d) payments received on overpayments established.

Payments and other charges include:

(a) pensions and benefits paid under the CPP as retirement and post-retirement benefit pensions, survivors' benefits paid to spouse or common-law partner and orphans, or as lump sum death benefits, and disability benefits to eligible contributors and their children;

(b) pensions and benefits paid and recovered from the CPP, in accordance with an agreement with a province providing a comprehensive pension plan;

(c) payments that are required to be charged to the CPP, in accordance with reciprocal agreements with other countries;

(d) costs of administration of the CPP;

(e) funds transferred to the CPPIB; and

(f) losses on investments held by the CPPIB.

For additional information, the consolidated financial statements of the CPP are included with the Supplementary Statements at the end of this section. Additional information on the funding of CPP may also be obtained from the *26th Actuarial Report on the Canada Pension Plan* prepared by the Chief Actuary of the Office of the Superintendent of Financial Institutions.

Government Annuities Account

This account was established by the *Government Annuities Act*, and modified by the *Government Annuities Improvement Act*, which discontinued sales of annuities in 1975. The account is valued on an actuarial basis each year, with the deficit or surplus charged or credited to the Government annual surplus/deficit.

The purpose of the *Government Annuities Act* was to assist Canadians to provide for their later years, by the purchase of Government annuities. The *Government Annuities Improvement Act* increased the rate of return and flexibility of Government annuity contracts.

Receipts and other credits consist of premiums received, funds reclaimed from the Consolidated Revenue Fund for previously untraceable annuitants, earned interest and any credit needed to cover the actuarial deficit. Payments and other charges represent matured annuities, the commuted value of death benefits, premium refunds and withdrawals, and actuarial surpluses and unclaimed annuities transferred to non-tax revenues. The amounts of unclaimed annuities, related to untraceable annuitants, are transferred to non-tax revenues.

As of March 31, 2015, over 34,349 annuitants held 36,625 active contracts, each annuitant receiving an average payment of $663.36. During the year, 77 deferred annuities came into payment and another 25 deferred contracts were adjusted or terminated at or before maturity, due to death, small refunds or unclaimed funds. Therefore, as of March 31, 2015, there were 396 outstanding deferred annuities, the last of which will come into payment around the year 2030.

During the 2014-2015 fiscal year, 3,677 annuities were terminated or adjusted as a result of annuitant deaths: 2,391 group certificates and 1,286 individual contracts. The average age at death for males was 88.1 while the female age at death averaged 90.4.

Income was mainly represented by interest of 7 percent calculated on the actuarial present value of accrued benefits as well as premiums received. Disbursements were mainly represented by payments under matured annuities and refund premiums at death.

The opening balance of $166.1 million was reduced due to charges exceeding income by $24.7 million during 2014-2015. Since the actuarial reserves required as of March 31, 2015 were only $141.4 million, an excess amount of $9,706,147 was transferred to the Government's revenues.

Deposit and Trust Accounts

Deposit and trust accounts are a group of liabilities representing the Government's financial obligations in its role as administrator of certain funds that it has received or collected for specified purposes and that it will pay out accordingly. To the extent that the funds received are represented by negotiable securities, these are deducted from the corresponding accounts to show the Government's net liability. Certain accounts earn interest which is charged to interest on the public debt.

Table 6.30 presents a summary of the balances and transactions in deposit and trust accounts.

Table 6.30
Deposit and Trust Accounts

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Deposit accounts —				
Agriculture and Agri-Food —				
Contractor security deposits — Certified cheques	82,657			82,657
Canadian Dairy Commission —				
Canadian Dairy Commission account	4,032,529	31,458,312	35,342,994	147,847
	4,115,186	*31,458,312*	*35,342,994*	*230,504*
Canada Revenue Agency —				
Guarantee deposits	162,370,404	41,119,706	24,941,716	178,548,394
Less: securities held in trust	40,000			40,000
	162,330,404	*41,119,706*	*24,941,716*	*178,508,394*
Employment and Social Development —				
Canada Labour Code — Other	94,399	687,466	637,133	144,732
Canada Labour Code — Wage recovery appeals	3,794,559	561,698	643,188	3,713,069
	3,888,958	*1,249,164*	*1,280,321*	*3,857,801*
Environment —				
Contractor security deposits — Cash and Cheques	107,830	270		108,100
Parks Canada Agency —				
Contractor security deposits — Cash	1,640,707	362,696	1,388,930	614,473
	1,748,537	*362,966*	*1,388,930*	*722,573*
Finance —				
Canada Development Investment Corporation —				
Holdback — Privatization	26,379,094	175,048	5,000,000	21,554,142
Canada Hibernia Holding Corporation —				
Abandonment reserve fund	96,742,462	752,577		97,495,039
Swap collateral deposit		65,770,335	65,770,335	
	123,121,556	*66,697,960*	*70,770,335*	*119,049,181*
Fisheries and Oceans —				
Contractor security deposits — Cash	64,006	80,245		144,251
Guarantee deposits — Fish Habitat Preservation	285,000			285,000
	349,006	*80,245*		*429,251*
Health —				
Canadian Food Inspection Agency —				
Contractor security deposits — Cash	73,672			73,672
Indian Affairs and Northern Development —				
Field British Columbia and Yukon Operations of the Northern Canada Power Commission	992,587			992,587
Guarantee deposits	32,719,549	15,857	17,678,572	15,056,834
Guarantee deposits — Oil and gas	1,357,014		143,918	1,213,096
	35,069,150	*15,857*	*17,822,490*	*17,262,517*
Industry —				
Deposits from Spectrum Auctions		24,600,000		24,600,000
Justice —				
Courts Administration Service —				
Security for costs	81,867	8,524	24,795	65,596
Registrar of the Supreme Court of Canada —				
Security for costs	391,882	171		392,053
	473,749	*8,695*	*24,795*	*457,649*
National Defence —				
Contractor security deposits — Cash	2,587,901	7,036,691	5,070,736	4,553,856

Table 6.30
Deposit and Trust Accounts — *Concluded*

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Natural Resources —				
Contractor security deposits — Cash	40,817	34,889	32,252	43,454
Guarantee deposits — Oil and gas	6,915,181	1,475,922	7,500	8,383,603
	6,955,998	*1,510,811*	*39,752*	*8,427,057*
Privy Council Office —				
Office of the Chief Electoral Officer —				
Candidates' and committees' deposits —				
Election and referendum	101,000	32,000	34,000	99,000
Public Safety and Emergency Preparedness —				
Canada Border Services Agency —				
General security deposits	6,238,784	99,525	119,594	6,218,715
Guarantee deposits	8,979,222	1,369,217	852,623	9,495,816
Immigration guarantee fund	22,065,130	6,762,525	7,735,574	21,092,081
Temporary deposits received from importers	1,049,992	1,926,837	1,853,258	1,123,571
	38,333,128	*10,158,104*	*10,561,049*	*37,930,183*
Royal Canadian Mounted Police —				
Contractor security deposits — Cash	83,135	280,378		363,513
	38,416,263	*10,438,482*	*10,561,049*	*38,293,696*
Public Works and Government Services —				
Contractor security deposits — Bonds	750,000			750,000
Contractor security deposits — Cash	4,160,497	3,743,051	3,480,531	4,423,017
Deposits on disposals	269,587	12,933,355	13,021,635	181,307
Seized property — Cash	67,229,295	186,275,532	198,832,459	54,672,368
	72,409,379	*202,951,938*	*215,334,625*	*60,026,692*
Transport				
Contractor security deposits — Cash	328,539	19,245	14,986	332,798
Total deposit accounts	451,969,298	387,582,072	382,626,729	456,924,641
Trust accounts —				
Employment and Social Development —				
Indian Residential Schools Settlement Agreement —				
Common Experience Payments	319,658,117	2,353,994	20,033,811	301,978,300
Indian Affairs and Northern Development —				
Indian band funds —				
Capital accounts, Table 6.31	635,248,632	143,936,236	130,550,638	648,634,230
Revenue accounts, Table 6.32	198,005,579	61,119,213	73,061,358	186,063,434
	833,254,211	*205,055,449*	*203,611,996*	*834,697,664*
Indian estate accounts	23,317,701	7,477,953	5,897,927	24,897,727
Indian savings accounts	33,900,457	3,285,438	4,527,266	32,658,629
	890,472,369	*215,818,840*	*214,037,189*	*892,254,020*
Industry —				
Restitutions under the *Competition Act*	3,548	286		3,834
National Defence —				
Estates — Armed services	757,131	1,783,176	1,300,787	1,239,520
Public Safety and Emergency Preparedness —				
Canadian Security Intelligence Service —				
Scholastic awards	26,597	205	500	26,302
Correctional Service of Canada —				
Inmates' trust fund	18,248,481	44,437,609	44,435,780	18,250,310
Royal Canadian Mounted Police —				
Benefit trust fund	2,137,076	113,182	169,524	2,080,734
	20,412,154	*44,550,996*	*44,605,804*	*20,357,346*
Veterans Affairs —				
Administered accounts	158,187	59,828	41,200	176,815
Estates fund	286,740	1,914	40,517	248,137
Veterans administration and welfare trust fund	1,515,699	44,584	217,885	1,342,398
	1,960,626	*106,326*	*299,602*	*1,767,350*
Total trust accounts	1,233,263,945	264,613,618	280,277,193	1,217,600,370
Total deposit and trust accounts	1,685,233,243	652,195,690	662,903,922	1,674,525,011

Contractor security deposits — Certified cheques — Agriculture and Agri-Food

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

Canadian Dairy Commission account

The Canadian Dairy Commission is a Crown corporation listed in Part I of Schedule III of the *Financial Administration Act*. This account was established for banking purposes using the Consolidated Revenue Fund pursuant to section 15 of the *Canadian Dairy Commission Act*.

Guarantee deposits — Canada Revenue Agency

This account was established to record cash securities required to guarantee payment of goods and services tax / harmonized sales tax (GST/HST) as it relates to non-resident registrants and, certain licensees as it relates to excise taxes, which are both payable pursuant to the *Excise Tax Act*.

Securities held in trust by the Canada Revenue Agency are made up of cash deposited to the Consolidated Revenue Fund.

Canada Labour Code — Other

This account was established to record amounts received under the provisions of section 251 of the Canada Labour Code Part III. The receipts are wage payments ordered by a Labour inspector in settlement of a wages dispute, which the employer has chosen to pay to the Minister of Labour instead of paying them directly to the employee. These amounts are then paid out to the employees.

Canada Labour Code — Wage recovery appeals

This account was established to record amounts received under the provisions of section 251.1 of the Canada Labour Code Part III. This requires federally-regulated employers who wish to appeal a payment order made by a Labour inspector regarding wages due to employees, to forward the amounts due to the Minister of Labour for deposit. They are held until the appeal is completed and the adjudicator has directed payment of the disputed amount to the employee or return to the employer. Deposits in this account are interest-bearing at the rate set by the Minister of Finance for contractor's deposits.

Contractor security deposits — Cash and Cheques — Environment

This account was established for the management of deposits of money belonging to third parties.

Contractor security deposits — Cash — Parks Canada Agency

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

Holdback — Privatization — Canada Development Investment Corporation

This account was established pursuant to subsection 129(1) of the *Financial Administration Act*. This special purpose money is to be used to meet costs incurred on the sale of Crown corporations and demand for payment by purchasers pursuant to the acquisition agreement and costs incurred by the Canada Development Investment Corporation in connection with their sale.

Abandonment reserve fund — Canada Hibernia Holding Corporation

This account was established to record funds which will be used to defray the future abandonment costs that will occur at the closure of the Hibernia field.

Swap collateral deposit

This account was established to record cash received as credit support under a collateral agreement with financial institutions.

No amount outstanding at year end.

Contractor security deposits — Cash — Fisheries and Oceans

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

Guarantee deposits — Fish Habitat Preservation

This account was established to record cash and securities deposited as guarantees for preservation of fish habitat as required by permits, leases or authorizations, pursuant to Section 35 of the *Fisheries Act*. Interest is not allowed on cash deposits.

Contractor security deposits — Cash — Canadian Food Inspection Agency

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

Field British Columbia and Yukon Operations of the Northern Canada Power Commission

This account was established to record amounts deposited by the Northern Canada Power Commission to reimburse liabilities pertaining to Field, British Columbia and Yukon Operations of the Northern Canada Power Commission.

Guarantee deposits — Indian Affairs and Northern Development

This account was established to record cash and securities deposited as guarantees for performance as required by permits, leases, authorizations and water licences, pursuant to section 8 of the *Arctic Waters Pollution Prevention Act* and of the *Northwest Territories Waters Act* and various regulations under the *Territorial Lands Act* and the *Mackenzie Valley Resource Management Act*. Interest is not allowed on cash deposits.

Guarantee deposits — Oil and gas — Indian Affairs and Northern Development

This account was established to record securities in the form of cash, letters of credit or other acceptable instruments which are required to be issued to, and held by the Government of Canada pursuant to an interest issued in accordance with the *Canada Petroleum Resources Act*. These securities are a performance guarantee or refundable rental that the agreed exploration work will be performed in the manner and time frame specified. Interest is not paid on these deposits.

Deposits from Spectrum Auctions

This account was established to record amounts deposited by external parties to be eligible to participate in an auction of spectrum licences.

Security for costs — Courts Administration Service

This account was established to maintain accounts on behalf of litigants before the Tax Court of Canada. These accounts record the funds paid into the Tax Court of Canada, pursuant to an order of the Court, rules of the Court or statutes, to be held pending payment of such funds, in accordance with an order/judgment of the Court.

Security for costs — Registrar of the Supreme Court of Canada

This account was established to record security to the value of $500 deposited by an Appellant with the Registrar of the Supreme Court of Canada in accordance with paragraph 60(1)(b) of the *Supreme Court Act*. As per section 87 of the Rules of the Supreme Court of Canada, interest is paid on money deposited as security.

Contractor security deposits — Cash — National Defence

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

Contractor security deposits — Cash — Natural Resources

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

Guarantee deposits — Oil and gas — Natural Resources

This account was established to record securities in the form of cash, which are required to be issued to, and held by the Government of Canada pursuant to an Exploration Licence in accordance with section 24 of the *Canada Petroleum Resources Act*. These securities are a performance guarantee that the agreed exploration will be performed in the manner and time frame specified. Interest is not paid on these deposits.

Candidates' and committees' deposits — Election and referendum

This account was established to record candidates' election and committees' referendum deposits received in respect of an election (general or by-election) or a referendum.

Pursuant to the *Canada Election Act* or the *Referendum Act*, amounts received are either refunded to candidates or committees, or are transferred to non-tax revenues.

General security deposits

This account was established to record general security deposits from transportation companies in accordance with section 148 of the *Immigration and Refugee Protection Act*.

Guarantee deposits — Canada Border Services Agency

This account was established to record cash required to guarantee payment of customs duties on imported goods pursuant to the *Customs Act*.

Immigration guarantee fund

This account was established to record amounts collected and held pending final disposition, either by refund to the original depositor, or forfeiture to the Crown pursuant to sections 14, 26, 44, 56, 58 and 148 of the *Immigration and Refugee Protection Act*.

Temporary deposits received from importers

This account was established to record temporary security deposits received from importers to ensure compliance with various (Customs) regulations regarding temporary entry of goods.

Contractor security deposits — Cash — Royal Canadian Mounted Police

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

Contractor security deposits — Bonds — Public Works and Government Services

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

Contractor security deposits — Cash — Public Works and Government Services

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

Deposits on disposals

This account was established to report transactions associated to deposits on disposals for Public Works and Government Services Canada (PWGSC), security deposits and revenues of leased space belonging to PWGSC.

Seized property — Cash

This account was established pursuant to the *Seized Property Management Act*, to record seized cash. These funds will be deposited to the Consolidated Revenue Fund and credited to the account until returned to the owner or forfeited.

Contractor security deposits — Cash — Transport

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

Indian Residential Schools Settlement Agreement — Common Experience Payments

This account was established pursuant to section 21 of the *Financial Administration Act*, to record amounts received and paid under article 5 of the Indian Residential Schools Settlement Agreement. It was established on September 19, 2007, and provides for the payment of Common Experience Payments (CEP) to eligible former students of recognized Indian Residential Schools and personal credits for educational programs and services to CEP recipients or to certain family members. The account is credited with interest pursuant to section 21(2) of the *Financial Administration Act*. The Designated Amount Fund is co-administered by Indian Affairs and Northern Development and Employment and Social Development.

Indian band funds

This account was established to record funds belonging to Indian bands throughout Canada pursuant to sections 61 to 69 of the *Indian Act*.

Table 6.31

Indian band funds — Capital Accounts

	2014-2015	2013-2014
	$	$
Opening balance	635,248,632	646,155,029
Receipts and other credits —		
Oil royalties	75,022,621	98,251,463
Gas royalties	62,916,861	30,322,025
Sundries	5,996,754	15,397,838
	143,936,236	143,971,326
	779,184,868	790,126,355
Payments and other charges —		
Per capita cash distribution	20,311,650	14,000,400
Transfer pursuant to section 64 of the *Indian Act*	110,099,320	137,530,278
Sundries	139,668	3,347,045
	130,550,638	154,877,723
Closing balance	648,634,230	635,248,632

Table 6.32

Indian band funds — Revenue Accounts

	2014-2015	2013-2014
	$	$
Opening balance	198,005,579	213,751,063
Receipts and other credits —		
Government interest	20,503,230	24,261,903
Court award and settlements	1,500	
Land and other claim settlements	165,000	654,240
Sundries	40,449,483	40,655,718
	61,119,213	65,571,861
	259,124,792	279,322,924
Payments and other charges —		
Per capita cash distribution	7,860	1,019,815
Transfer pursuant to section 69 of the *Indian Act*	65,449,443	71,534,558
Sundries	7,604,055	8,762,972
	73,061,358	81,317,345
Closing balance	186,063,434	198,005,579

Indian estate accounts

These accounts were established to record funds received and disbursed for estates of deceased Indians, mentally incompetent Indians and missing Indians pursuant to sections 42 to 51 and 52.3 of the *Indian Act*.

Indian savings accounts

These accounts were established to record funds received and disbursed for individual Indians pursuant to sections 52 and 52.1 to 52.5 of the *Indian Act*.

Restitutions under the *Competition Act*

This account was established to facilitate judgements rendered under section 52 of the *Competition Act*, and account for funds received in trust for restitution and for subsequent payment.

Estates — Armed services

This account was established to record the service estates pursuant to section 42 of the *National Defence Act* of officers and non-commissioned members who die during their service in the Canadian Forces. Under the administration of the Judge Advocate General, in his capacity as Director of Estates, net assets of estates are distributed to the lawful representative of the personal estate.

Scholastic awards

This account was established to record donations of $26,000 to be used for the presentation of scholarship awards to children of employees of the Canadian Security Intelligence Service to encourage university studies.

Inmates' trust fund

Pursuant to section 111 of the Corrections and Conditional Release Regulations, this account is credited with all moneys brought into the institution by an inmate on admission or readmission, and all moneys that are received on the inmate's behalf while in custody, including, monetary gifts from a third party, payments for program participation, pay earned while on work release or conditional release in the community, moneys received from a third party for work performed in an institution or a Correctional Service of Canada approved inmate operated business enterprise, sale of hobby craft or custom work, a payment, allowance or income paid by either a private or government source. Deductions may be made from this account for issues such as debts to the Crown, the Inmate Welfare Fund, canteen expenditures, telephone calls, payments to assist in the rehabilitation of the inmate, and any other payments for which the inmate is liable.

Benefit trust fund

This account was established by section 23 of the *Royal Canadian Mounted Police Act*, to record funds received by personnel of the Royal Canadian Mounted Police, in connection with the performance of duties, over and above their pay and allowances, as well as forfeitures of pay. The money paid to the Benefit trust fund is used for the benefit of RCMP members, former members and their dependants; use of the funds is governed by the Royal Canadian Mounted Police Regulations.

Administered accounts

Pursuant to section 41 of the *Pension Act*, section 15 of the *War Veterans Allowance Act*, section 55 of the Veterans Treatment Regulations and section 8 of the Guardianship of Veterans Property Regulations, these accounts are under the jurisdiction of the Department of Veterans Affairs. Funds held in these accounts include: *(a)* pensions, war veterans allowances and treatment allowances placed under the administration of the Department of Veterans Affairs; and *(b)* benefits from other sources such as Old Age Security, Guaranteed Income Supplement or Canada Pension Plan, placed under administration with the consent of the client. These persons have demonstrated their inability to manage their own affairs.

Payments are made out of the accounts, to provide food, shelter, clothing, comforts and other necessities.

Estates fund

This account was established to record the proceeds from the estates of those veterans who died while receiving hospital treatment or institutional care, and for those veterans whose funds had been administered by the Government, in accordance with sections 5, 6 and 7 of the Veterans' Estates Regulations. Individual accounts are maintained and payments are made to beneficiaries pursuant to the appropriate legislative authority.

Veterans administration and welfare trust fund

This account was established to record donations, legacies, gifts, bequests, etc. received, to be disbursed for the benefit of veterans or their dependents under certain conditions, and for the benefit of patients in institutions, in accordance with section 9 of the Guardianship of Veterans' Property Regulations.

Other Specified Purpose Accounts

There are a number of other specified purpose accounts operated by the Government, such as insurance, death benefit and pension accounts. Certain accounts earn interest which is charged to interest on the public debt.

Table 6.33 presents a summary of the balances and transactions for all other specified purpose accounts.

Table 6.33
Other Specified Purpose Accounts

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Insurance and death benefit accounts —				
Employment and Social Development —				
Civil service insurance fund	4,656,182	341	578,628	4,077,895
National Defence —				
Regular Force Death Benefit Account, Table 6.34	189,251,651	29,775,947	31,516,472	187,511,126
Treasury Board				
Public Service Death Benefit Account, Table 6.35	3,310,011,661	280,909,314	166,836,177	3,424,084,798
Veterans Affairs —				
Returned soldiers' insurance fund	6,010	1,662	1,077	6,595
Veterans' insurance fund	1,915,123	354,282	446,321	1,823,084
	1,921,133	*355,944*	*447,398*	*1,829,679*
Total insurance and death benefit accounts	3,505,840,627	311,041,546	199,378,675	3,617,503,498
Pension accounts —				
Employment and Social Development				
Annuities agents' pension account	352	310	284	378
Foreign Affairs, Trade and Development —				
Contributory pension account — Locally engaged staff	120,232		3,192	117,040
Public Safety and Emergency Preparedness				
Royal Canadian Mounted Police —				
Dependants' pension fund	20,758,261	1,011,463	2,399,214	19,370,510
Total pension accounts	20,878,845	1,011,773	2,402,690	19,487,928
Other accounts —				
Agriculture and Agri-Food				
AgriInvest Program	25,664,358	251,530,158	269,498,319	7,696,197
AgriStability Program	54,514,368	32,259,082	37,533,453	49,239,997
Foreign missions to advance Canadian agriculture		18,247	10,393	7,854
	80,178,726	*283,807,487*	*307,042,165*	*56,944,048*
Atlantic Canada Opportunities Agency				
Federal/provincial agreement — Advance account	346,788	480,000	471,171	355,617
Canada Revenue Agency				
Deposits/Disbursements — Workers' Compensation Board	1,266,969	263,994,245	265,106,335	154,879
Canadian Heritage —				
Miscellaneous projects deposits	209,599	308,382	390,000	127,981
Shared-cost/joint project agreements	205,000			205,000
Library and Archives of Canada —				
Special Operating Account	348,368	63,837	206,492	205,713
Telefilm Canada —				
Advance account	49,136,993	126,951,380	128,491,911	47,596,462
	49,899,960	*127,323,599*	*129,088,403*	*48,135,156*
Citizenship and Immigration —				
Immigrant investor program	112,419,672	738,963,828	790,143,621	61,239,879
Employment and Social Development —				
Federal/provincial collaborative agreement	8,617	46,189,778	46,189,921	8,474
Federal/provincial shared-cost project	452,161	62,661	82,913	431,909
Federal/provincial/territorial shared-cost project				
Interprovincial Computerized Examination Management System (ICEMS)	3,815,519	652,205	686,897	3,780,827
Labour standards suspense account	1,542,819	18,134	16,756	1,544,197
	5,819,116	*46,922,778*	*46,976,487*	*5,765,407*

Table 6.33
Other Specified Purpose Accounts — *Continued*

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Environment —				
Parks Canada Agency —				
Miscellaneous projects deposits	3,089,111	1,317,366	732,196	3,674,281
Finance —				
Common school funds — Ontario and Quebec	2,677,771			2,677,771
Foreign claims fund	179,020			179,020
War claims fund — World War II	4,236			4,236
	2,861,027			*2,861,027*
Fisheries and Oceans —				
Federal/provincial cost-sharing agreements	281,159	1,029,673	997,304	313,528
Miscellaneous projects deposits	24,995,380	6,884,502	9,065,779	22,814,103
Sales of seized assets	1,171,585	367,064	288,634	1,250,015
	26,448,124	*8,281,239*	*10,351,717*	*24,377,646*
Foreign Affairs, Trade and Development —				
Canada Foundation account	389,039			389,039
Less: Securities held in trust	376,036			376,036
Deposits in a special bank account	13,003			13,003
Financial assistance to Canadians abroad	282,671	1,043,612	1,145,424	180,859
Funds from non-governmental organizations	3,241,677	7,094,322	7,938,734	2,397,265
Shared-cost projects	9,349,853	6,655,005	6,047,533	9,957,325
Shared-cost projects — Support to various programs	518,071	6,244,500	518,071	6,244,500
	13,392,272	*21,037,439*	*15,649,762*	*18,779,949*
Health —				
Collaborative research projects	2,438,061	1,103,374	619,994	2,921,441
Miscellaneous federal/provincial projects	1,583,309	431,420	394,414	1,620,315
World Health Organization	106,133			106,133
Canadian Food Inspection Agency —				
Shared-cost agreements	1,121,071	888,192	741,645	1,267,618
Public Health Agency of Canada —				
Collaborative research projects	1,287,454	541,615	130,456	1,698,613
Miscellaneous federal/provincial projects	986,197			986,197
	7,522,225	*2,964,601*	*1,886,509*	*8,600,317*
Indian Affairs and Northern Development —				
Indian band funds —				
Shares and certificates	20,000			20,000
Less: securities held in trust	20,000			20,000
Indian moneys suspense account	46,999,785	22,753,230	16,845,365	52,907,650
Indian special accounts	407,208	6,086		413,294
Non-Indian moneys		1,655,414	1,632,743	22,671
Special account — Insurance money to reconstruct Babine Mill		8,375,249	8,375,249	
	47,406,993	*32,789,979*	*26,853,357*	*53,343,615*
Industry —				
Income from securities in trust — *Bankruptcy and Insolvency Act*	52,031			52,031
Petro-Canada Enterprises Inc — Unclaimed shares	689,150		1,802	687,348
Securities in trust — *Bankruptcy and Insolvency Act*	31,266			31,266
Less: securities held in trust	31,266			31,266
Shared-cost/joint project agreements — Research	12,201		12,201	
Shared-cost projects	1,415,266	117,865	293,232	1,239,899
Unclaimed dividends and undistributed assets —				
Bankruptcy and Insolvency Act	25,892,989	1,975,997	801,870	27,067,116
Canada Business Corporations Act	9,362,108		1,571,233	7,790,875
Winding-up and Restructuring Act	2,186,522	1,501,511		3,688,033
Canadian Space Agency —				
Radarsat	97,461			97,461
Statistics Canada —				
Project deposits	1,167,497	84,785,962	84,766,557	1,186,902
	40,875,225	*88,381,335*	*87,446,895*	*41,809,665*

Table 6.33
Other Specified Purpose Accounts — *Concluded*

	April 1, 2014	Receipts and other credits	Payments and other charges	March 31, 2015
	$	$	$	$
Justice —				
Courts Administration Service —				
Special account	7,112,553	2,663,536	1,938,289	7,837,800
Offices of the Information and Privacy Commissioners of Canada —				
Shared-cost agreements		8,550	8,550	
	7,112,553	*2,672,086*	*1,946,839*	*7,837,800*
National Defence —				
Foreign governments — United Kingdom —				
British Army — Suffield, Alberta	1,351,631		82,522	1,269,109
Joint research and development projects	1,675,573	1,752,131	592,040	2,835,664
Non-government agencies	3,592,274	773,125	1,452,773	2,912,626
Other Non-Statutory Specified Purpose Accounts	3,120,967	242,895	3,363,862	
Communications Security Establishment				
Foreign Partners — Security	2,266,839	458,947	662,492	2,063,294
	12,007,284	*3,227,098*	*6,153,689*	*9,080,693*
Natural Resources —				
Market development incentive payments — Alberta	3,298,462		1,184,605	2,113,857
Newfoundland Offshore Revenue Account		711,627,731	711,627,731	
Nova Scotia Offshore Revenue Account		69,822,874	69,822,874	
Shared-cost agreements — Research	4,054,252	2,691,777	2,484,245	4,261,784
Shared-cost projects	819,899	1,093,836	1,436,527	477,208
Canadian Nuclear Safety Commission —				
Security equipment purchases	2,494	11,035	7,063	6,466
	8,175,107	*785,247,253*	*786,563,045*	*6,859,315*
Privy Council Office —				
Shared-cost projects — Media travel expenses	150,521	439,441	507,021	82,941
Public Safety and Emergency Preparedness —				
Royal Canadian Mounted Police —				
Joint research and development projects	1,181,893	142,436	138,257	1,186,072
Public Works and Government Services —				
Military purchases excess funds deposit	205,141,330		14,412,069	190,729,261
Less: securities held in trust	205,141,330	14,412,069		190,729,261
		14,412,069	*14,412,069*	
Transport —				
Shared-cost agreements — Remediation projects	24,540,000	248,842		24,788,842
Veterans Affairs —				
Shared-cost agreements	3,273			3,273
Total	444,696,839	2,422,653,121	2,491,469,538	375,880,422
Less: consolidation adjustment (1)	49,136,993		1,540,531	47,596,462
Total other accounts	395,559,846	2,422,653,121	2,489,929,007	328,283,960
Total other specified purpose accounts	3,922,279,318	2,734,706,440	2,691,710,372	3,965,275,386

(1) Additional information on consolidated Crown corporations and other entities is provided in Section 4 of this volume.

Civil service insurance fund

This account was established by the *Civil Service Insurance Act*, introduced to enable the Minister of Finance to contract with a person appointed to a permanent position in any branch of the public service, for the payment of certain death benefits. No new contracts have been entered into since 1954, when the Supplementary Death Benefit Plan for the Public Service and Canadian Forces was introduced as part of the *Public Service Superannuation Act* and the *Canadian Forces Superannuation Act*, respectively.

The number of policies in force as of March 31, 2015 was 528 and the average age of the policyholders was 92.7 years. During the year, premiums of $341 were received. Death benefits, settlement annuities and premium refunds of $569,024 were paid during 2014-2015.

According to the actuarial valuation and with the prescribed actuarial assumptions, the liabilities in respect of the benefits provided under the Act are estimated at $4,077,895 as at March 31, 2015. The balance in the Account as at March 31, 2015 is $4,087,499. The surplus as at March 31, 2015 is therefore $9,604. Pursuant to subsection 16(3) of the Civil Service Insurance Regulations, an amount of $9,604 has therefore been debited to the Account in 2014-2015.

Regular Force Death Benefit Account

This account was established by the *Canadian Armed Forces Superannuation Act* to provide life insurance to contributing members and former members of the Canadian Armed Forces. Receipts and other credits consist of: *(a)* contributions by participants; *(b)* Government's contribution paid in respect of participants; *(c)* single premiums payable by the Government in respect of participants who became entitled to a basic benefit of $5,000 without contribution; and *(d)* interest.

Payments and other charges consist of: *(a)* benefits paid in respect of participants; *(b)* benefits paid in respect of elective; and *(c)* the portion of benefits payable for which the Government has paid a single premium.

Table 6.34
Regular Force Death Benefit Account

	2014-2015	2013-2014
	$	$
Opening balance	189,251,651	191,561,901
Receipts and Other Credits —		
Employee contributions	17,515,935	17,436,101
Employer contributions		
Government		
General	2,017,428	2,065,097
Single premiums payable by the Government in respect of Regular Force participants who became entitled to a basic benefit of $5,000 without contribution	786,290	574,713
Interest	9,456,294	10,027,096
Total receipts and other credits	29,775,947	30,103,007
Subtotal	219,027,598	221,664,908
Payments and Other Charges —		
Benefit payments		
Benefits paid in respect of participants who, at the time of death, were members of the Regular Force, or who were elective Regular Force participants	31,516,472	32,413,257
Closing balance	187,511,126	189,251,651

Public Service Death Benefit Account

This account was established under the *Public Service Superannuation Act* to provide life insurance to contributing members of the Public Service.

The account is credited with: *(a)* contributions by employees; *(b)* contributions by the Government and Public Service corporations; and *(c)* interest. Payments and other charges represent: *(a)* benefits paid in respect of participants who, at the time of death, were employed in the Public Service, or were in receipt of an annuity under Part I of the *Public Service Superannuation Act*; and *(b)* benefits of $10,000 paid in respect of participants who, at the time of death, were employed in the Public Service or were in receipt of an annuity under Part I of the *Public Service Superannuation Act*, and on whose behalf a single premium for $10,000 death benefit coverage for life has been made.

Table 6.35
Public Service Death Benefit Account

	2014-2015	2013-2014
	$	$
Opening balance	3,310,011,661	3,208,242,034
Receipts and Other Credits —		
Employee contributions —		
Active members —		
Public service employees	69,530,578	69,171,785
Public service corporations	5,162,060	4,909,844
Retired employees	23,994,248	22,578,634
Employer contributions —		
Public service corporations	1,376,392	1,315,296
Death benefit — general	10,906,651	11,456,742
Death benefit — single premium for $10,000	2,769,441	2,793,056
Interest	167,169,944	170,131,983
Total receipts and other credits	280,909,314	282,357,340
Subtotal	3,590,920,975	3,490,599,374
Payments and Other Charges —		
Benefit payments —		
General	130,506,738	137,143,304
Life coverage for $10,000	35,956,362	43,106,804
Other death benefit payments	373,077	337,605
Total payments and other charges	166,836,177	180,587,713
Closing balance	3,424,084,798	3,310,011,661

Returned soldiers' insurance fund

This fund was established by the *Returned Soldiers' Insurance Act* to provide life insurance to contributing veterans of World War I. The account is credited with premiums and is charged with disbursements for death benefits and cash surrender values. The account is actuarially maintained and an actuarial liability adjustment as at March 31, 2014, of $1,662 was credited to the account during the year and was charged to expenditures. The final date on which application for this insurance could have been received was August 31, 1933.

Veterans' insurance fund

This fund was established by the *Veterans Insurance Act* to provide life insurance to contributing veterans of World War II. The account is credited with premiums and is charged with disbursements for death benefits and cash surrender values. The account is actuarially maintained and an actuarial liability adjustment as at March 31, 2014, of $354,187 was credited to the account during the year and was charged to expenditures. The final date on which application for this insurance could have been received was October 31, 1968.

Annuities agents' pension account

This account was established by Vote 181, *Appropriation Act No. 1, 1961*, to provide pension benefits to former eligible Government employees who were engaged in selling Government annuities to the public.

Contributory pension account — Locally engaged staff

This account was established to record benefits paid to locally engaged staff hired prior to March 1, 2009 at the Canadian High Commission in Guyana upon termination of their employment. The specified purpose account was established following the liquidation of CLICO Life and General Insurance Company (South America) Limited.

Dependants' pension fund

This fund, which pertains to Part IV of the *Royal Canadian Mounted Police Pension Continuation Act*, provides pension benefits to certain widows and other dependants of Constables of the Royal Canadian Mounted Police, who purchased pension benefits between October 1, 1934 and March 1, 1949. There are no longer any active members amongst the contributors.

AgriInvest Program

The AgriInvest Program is a savings account designed to help producers cover small margin declines.

The AgriInvest Program is cost-shared with provinces and territories on a 60/40 basis. The provinces and territories are invoiced for their share of the contributions, which are held in the specified purpose accounts until they are applied and transferred to the producer accounts. The funds in the producers specified purpose accounts are then drawn down as AgriInvest account holders request withdrawals or when the funds are transferred to a financial institution.

Starting with the 2009 program year, producers are required to make their AgriInvest deposits at a financial institution of their choice and any funds which were previously held by the federal government will be transferred to the new accounts.

AgriStability Program

The AgriStability Program is designed to cover larger margin declines caused by circumstances such as low prices, production losses, and rising input costs.

The AgriStability Program is cost-shared with provinces and territories on a 60/40 basis. Producers are charged a fee in order to participate in the program, which covers a portion of the program expenditure. The provinces and territories as well as producers are invoiced for their share of the contributions, which are held in the specified purpose accounts. These funds are drawn down as applications are processed and benefits are paid out.

Foreign missions to advance Canadian agriculture

This account was established to record the deposits made by the Canadian agri-food industry towards the costs of hosting incoming government-to-government foreign missions that advance commercial interests, or for costs related to outgoing foreign missions in support of incremental market development and interests, for which there is a collaborative agreement with the Federal Government. The costs incurred by the Federal Government on behalf of the Canadian agri-food industry are charged to the account and any unspent funds will be returned to the Canadian agri-food industry once the accounting is complete at the end of the mission.

Federal/provincial agreement — Advance account

This account was established to record deposits from non-federal partners for their share of costs under various projects. Funds are disbursed on behalf of contributors as projects are undertaken. Unused funds are to be returned to contributors.

Deposits/Disbursements — Workers' Compensation Board

This account was established under the authority of the *Canada Revenue Agency Act* and the *Workers' Compensation Act*, to enable the Canada Revenue Agency (CRA) to record and forward on daily basis, funds received from Nova Scotia employers to the Workers' Compensation Board of Nova Scotia (Board), as part of a partnership arrangement between the CRA and the Board.

Miscellaneous projects deposits — Canadian Heritage

This account was established to record contributions received from organizations and individuals for various projects.

Shared-cost/joint project agreements — Canadian Heritage

This account was established to record monies received from other governments and organizations in order to cover expenditures incurred under various shared-cost/joint project agreements.

Special Operating Account

This account was established pursuant to section 18 of the *Library and Archives of Canada Act*, which also directed that: *(a)* the account be credited with funds received for the purpose of the Library and Archives Canada by way of donation, bequest or otherwise; and *(b)* any amounts required for the purpose of the Act may be paid out of the account or out of money appropriated by Parliament for such purposes.

Advance account — Telefilm Canada

This account was established pursuant to section 19 of the *Telefilm Canada Act*, to reserve for use in future years the revenues and recoveries generated from projects funded by Telefilm Canada.

Immigrant investor program

This account was established to record the receipt and disbursement of amounts received under the Immigrant Investor Program in accordance with section 12(2) of the *Immigration and Refugee Protection Act* and section 91(d) of the Immigration and Refugee Protection Regulations. This program allows qualified immigrants to gain permanent residence in Canada by making an investment in the Canadian economy.

The *Economic Action Plan 2014 Act, No. 1* (Bill C-31) terminated the program and any application in the backlog for which a selection decision was not made before February 11, 2014. While the program has been terminated, outstanding investments will continue to be returned to investors approximately over the next 5 years.

Federal/provincial collaborative agreement

This account was established to record amounts received by Employment and Social Development from a province as funding under the provisions of a collaborative agreement with the province.

Federal/provincial shared-cost project — Employment and Social Development

This account was established to record the deposit of advance payments made by provinces towards the costs of projects and programs for which there is a cost-sharing agreement with the federal Government. Disbursements are made to pay the provinces' share of costs per official agreements or to refund unused amounts.

Federal/provincial/territorial shared-cost project — Interprovincial Computerized Examination Management System (ICEMS)

This account was established to record advance payments received from provinces and territories to pay for the development and annual operating costs of the ICEMS. Advance payments are made pursuant to the "Agreement on the Joint Project for the ongoing operations of the ICEMS". The costs incurred are charged to the account and any unexpended funds will be allocated according to the common will of the Parties and shall be in accordance with applicable legislation.

Labour standards suspense account

This account was established under the authority of section 23 of the Canada Labour Standards Regulations to record wages received by the Minister of Labour from employers who cannot locate employees. Efforts are then made to locate employees. Wages are paid out when employees are located or when employees contact the department for payment.

Miscellaneous projects deposits — Parks Canada Agency

This account was established to record contributions received from organizations and individuals for various projects.

Common school funds — Ontario and Quebec

This account was established under *12 Victoria 1849*, Chapter 200, to record the proceeds from the sale of lands set apart for the support and maintenance of common schools in Upper and Lower Canada, now Ontario and Quebec. Interest of $133,889, apportioned on the basis of population, is paid directly to these provinces on a semi-annual basis, at the rate of 5 percent per annum, and is charged to interest on the public debt.

Foreign claims fund

This account was established by Vote 22a, *Appropriation Act No. 9, 1966*, to record: *(a)* such part of the money received from the Custodian of Enemy Property, proceeds of the sale of property and the earnings of property, and *(b)* all amounts received from governments of other countries pursuant to agreements entered into after April 1, 1966 relating to the settlement of Canadian claims, and also records payment of claims submitted, including payment of the expenses incurred in investigating and reporting on such claims.

War claims fund — World War II

This account was established by Vote 696, *Appropriation Act No. 4*, 1952, to record funds received from the Custodian of Enemy Property or from other sources, and payments: *(a)* to eligible claimants for compensation in respect of World War II; *(b)* of a supplementary award amounting to 50 percent of the original award (PC 1958-1467, October 23, 1958); and *(c)* of expenses incurred in investigating and reporting on claims.

A War Claims Commission was established to enquire into and report on claims made by Canadians arising out of World War II for which compensation may be paid from this or any other fund established for the purpose. The expenses of the Commission are chargeable hereto.

Federal/provincial cost-sharing agreements

This account was established to record the deposit of funds received from the provinces for cost-shared programs according to official signed agreements.

Miscellaneous projects deposits — Fisheries and Oceans

This account was established to record contributions received from organizations and individuals, for the advancement of research work.

Sales of seized assets

The account was established to record the proceeds of the sale of seized items by the Department of Fisheries and Oceans from a person contravening the *Fisheries Act*. Funds so received are held in the Consolidated Revenue Fund pending final resolution of the case by the Minister of Fisheries and Oceans or the courts.

Canada Foundation account

This account was established by Vote 6g, *Appropriation Act No. 2, 1967*, to record funds received in connection with the Civilian Relief Agreement of 1950, and the Cultural Agreement of 1954 between Canada and Italy, and disbursements for the purposes of the said agreements.

Financial assistance to Canadians abroad

This account was established to record funds received from families or friends as prepayment for financial assistance to distressed Canadians abroad.

Funds from non-governmental organizations

This account was established to record funds received as prepayment for services to be performed by the Department of Foreign Affairs, Trade and Development on behalf of third parties.

Shared-cost projects — Foreign Affairs, Trade and Development

This account was established to record funds received from organizations outside the Government of Canada accounting entity for shared-cost projects.

Shared-cost projects — Support to various programs

This account was established to record deposits received and payments made in accordance with authorities for shared-cost projects to support various development programs.

Collaborative research projects — Health

This account was established to record funds received from client groups for cost shared and joint project research agreements.

Miscellaneous federal/provincial projects — Health

This account was established to record transactions relating to the provinces/territories share of costs incurred under federal/provincial cost-sharing agreements for joint federal/provincial/territorial projects which address health issues which are national in scope.

World Health Organization

This account was established to record funds received from the World Health Organization for scientific projects.

Shared-cost agreements — Canadian Food Inspection Agency

This account was established to record amounts deposited by external parties for shared-cost research projects. Funds are disbursed on behalf of depositors as specific projects are undertaken.

Collaborative research projects — Public Health Agency of Canada

This account was established to record funds received from client groups for cost shared and joint project research agreements.

Miscellaneous federal/provincial projects — Public Health Agency of Canada

This account was established to record transactions relating to the provinces/territories share of costs incurred under federal/provincial cost-sharing agreements for joint federal/provincial/territorial projects which address health issues which are national in scope.

Indian band funds — Shares and certificates

This account was established under the *Indian Act*, to record the historical value of TransAlta Utilities Corporation shares received as compensation for a power line right-of-way on the Blood Indian reserve. These shares are held in the name of the Receiver General for Canada for the credit of the Blood Indian Band.

Indian moneys suspense account

This account was established to hold moneys received for individual Indians and bands, that cannot be disbursed to an Indian, or credited to an Indian Band Fund or Individual Trust Fund account, pending execution of the related lease, permit or licence, settlement of litigation, registration of the Indian or identification of the recipient.

Indian special accounts

Indian special accounts represent a number of non-interest bearing accounts which are maintained for specific purpose and include the following:

(a) Quebec fur account — This account was established to record funds received from the sales of pelts trapped on reserves in the Abitibi District in Quebec, to defer charges for tallymen's wages, freight costs, etc. No activity was reported in the current year.

(b) Fines — *Indian Act* — Fines collected as defined in section 104 of the *Indian Act*, are credited to this account for the benefit of the bands or members of the bands. Expenditures may be made per the direction of the Governor in Council to cover certain costs in the administration or promotion of the purpose of the relative law.

Non-Indian moneys

This account was established as per Article 5.08 (a)(ii) of the Saskatchewan Treaty Land Entitlement Framework Agreement to collect "Provincial Mineral Revenues" on behalf of the Province of Saskatchewan and remit the same in the manner as described in an agreement between the two parties.

Special Account — Insurance money to reconstruct Babine Mill

This account was established pursuant to an agreement between the Department of Indian Affairs and Northern Development and Babine Forest Products Limited. The funds in this account are used to repair the damages caused to the sawmill and other buildings leased by the Department.

Income from securities in trust — *Bankruptcy and Insolvency Act*

This account was established by sections 78, 84, 154 and 194 of the *Bankruptcy and Insolvency Act*, to record dividends paid on stocks originally held by a bankrupt stockbroker but subsequently sold to clients. As the stocks were not registered in the clients' names, the dividends must be paid to the last registered owner, in this case, the stockbroker. The dividends are forwarded to the Superintendent of Bankruptcy for safekeeping.

Petro-Canada Enterprises Inc — Unclaimed shares

This account was established by Section 227 of the *Canada Business Corporations Act* to record the liability to shareholders who have not presented their shares for payment.

Securities in trust — *Bankruptcy and Insolvency Act*

This account was established by section 67 of the *Bankruptcy and Insolvency Act*, to record the value of securities originally held by a bankrupt stockbroker, on behalf of clients who have not been located.

Shared-cost/joint project agreements — Research

This account was established to record funds received from other governments and organizations in order to cover expenditures incurred under various shared-cost/joint project agreements.

During the year, the account was closed.

Shared-cost projects — Industry

This account was established to record funds received from other governments and organizations in order to cover expenditures incurred under various shared-cost/joint project agreements.

Unclaimed dividends and undistributed assets — *Bankruptcy and Insolvency Act*

This account represents amounts credited to the Receiver General in accordance with the provisions of section 154 of the *Bankruptcy and Insolvency Act*, pending distribution to creditors.

Unclaimed dividends and undistributed assets — *Canada Business Corporations Act*

This account was established in accordance with sections 227 and 228 of the *Canada Business Corporations Act*, for the purpose of recording liabilities to creditors and shareholders who have not been located. The account is charged when funds are paid to them.

Unclaimed dividends and undistributed assets — *Winding-up and Restructuring Act*

This account records amounts credited to the Receiver General, in accordance with sections 138 and 139 of the *Winding-up and Restructuring Act*, pending distribution.

Radarsat

This account was established to record funds received for both cost-sharing and advance payments for Radarsat scenes.

Project deposits — Statistics Canada

This account was established to record deposits received from outside parties to secure payments for special statistical services.

Special account — Courts Administration Service

This account was established to maintain accounts on behalf of litigants before the Federal Court and Federal Court of Appeal. These accounts record the funds paid into the Federal Court and Federal Court of Appeal, pursuant to an order of the Courts, rules of the Courts or statutes, to be held pending payment of such funds, in accordance with an order/judgment of these Courts.

Shared-cost agreements — Offices of the Information and Privacy Commissioners of Canada

This account was established to record deposits received from organizations outside the Government of Canada accounting entity and payments made in accordance with a letter of agreement for shared-costs to assume part of the conference held in October 2014.

Foreign governments

These accounts were established to record funds received from foreign governments, to cover expenditures to be made on their behalf, in accordance with the provisions of agreements with the Government of Canada.

Joint research and development projects — National Defence

This account was established to record funds received from other governments and organizations through collaborative relationships where the work is shared between the government of Canada and other laboratories.

Non-government agencies

This account was established to record funds received for expenditures made on behalf of non-government agencies, for which specific accounts have not been established.

Other Non-Statutory Specified Purpose Accounts

This account was established to record funds received and payments by the Department of National Defence for the sale of jointly owned assets that must be redistributed to foreign governments.

Foreign Partners

These accounts were established to record funds received from foreign partners to cover expenditures to be made on their behalf, in accordance with the provisions of agreements with the Government of Canada.

Market development incentive payments — Alberta

This account records funds received from the Government of Alberta to encourage the expansion of natural gas markets in Alberta and provinces to the East, in accordance with an agreement between the Government of Canada and the Government of Alberta dated September 1, 1981 and pursuant to section 39 of the *Energy Administration Act*. The original term of the agreement was from November 1, 1981 to January 31, 1987. As a result of the Western Accord of March 25, 1985, payments from the Government of Alberta terminated as at April 30, 1986; however, payments continued to be made from the account for selected programs, which encouraged the use of natural gas for vehicles.

More recently, a new strategy for the expenditure of these funds has been agreed upon. This strategy consists of expending the remaining funds in support of natural gas (NG) market expansion activities related to transportation and combined heat and power applications across Canada.

Newfoundland Offshore Revenue Account

This account was established pursuant to section 214 of the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act* to facilitate the sharing of certain revenues accruing from oil and gas activities in the Canada-Newfoundland and Labrador offshore area with the Province of Newfoundland and Labrador. Through statutory provisions of the Act, an amount equal to certain offshore revenues (taxes, royalties and miscellaneous revenues) is credited to this account and subsequent payments to the Province of Newfoundland and Labrador are charged thereto.

Nova Scotia Offshore Revenue Account

This account was established pursuant to section 219 of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* to facilitate the sharing of certain revenues accruing from oil and gas activities in Canada-Nova Scotia offshore area with the Province of Nova Scotia. Through statutory provisions of the Act, an amount equal to certain offshore revenues (taxes, royalties and miscellaneous revenues) is credited to this account and subsequent payments to the Province of Nova Scotia are charged thereto.

Shared-cost agreements — Research — Natural Resources

This account was established to facilitate the retention and disbursement of funds received from private industries and other governments for joint projects or shared-cost research agreements.

Shared-cost projects — Natural Resources

This account was established to facilitate the retention and disbursement of funds received from private organizations and other governments for cost-sharing scientific projects.

Security equipment purchases

Funds deposited in this account by licensees are used to provide for payment of purchases of security equipment for the licensees' facilities in accordance with security arrangements mandated pursuant to the *Nuclear Safety and Control Act*.

Shared-cost projects — Media travel expenses

This account records medias' (non-governmental organizations) reimbursements for travel arrangement services rendered to them.

Joint research and development projects — Royal Canadian Mounted Police

This account was established to record funds received from other government organizations in order to share costs incurred under various research project agreements, technical requirements and system improvements.

Military purchases excess funds deposit

This account was established by a written agreement between Canada and the United States, to record temporarily unused funds paid to the United States Government under contracts for purchases of military equipment. The funds are invested by the Federal Reserve Bank of New York to earn interest for the Government of Canada.

Shared-cost agreements — Remediation Projects

This account was established to record funds received from external parties in order to cover expenditures incurred under shared-cost remediation projects.

Shared-cost agreements — Veterans Affairs

This account was established to record transactions relating to share of costs incurred under federal/provincial cost-sharing agreements and funding for research and other projects at Sainte Anne's Hospital.

Supplementary Statements

Canada Pension Plan

Management's Responsibility for Financial Statements

The consolidated financial statements of the Canada Pension Plan are prepared in accordance with Canadian public sector accounting standards by the management of Employment and Social Development Canada. Management is responsible for the integrity and objectivity of the information in the financial statements, including the amounts which must, of necessity, be based on best estimates and judgment. The significant accounting policies are identified in Note 2 to the financial statements. The financial information presented throughout the Annual Report is consistent with the financial statements.

To fulfill its accounting and reporting responsibilities, management has developed and maintains books of account, financial and management controls, information systems and management practices. These systems are designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Canada Pension Plan*, the *Canada Pension Plan Investment Board Act* and the *Financial Administration Act* and their accompanying regulations.

The Auditor General of Canada, the external auditor of the Canada Pension Plan, conducts an independent audit of the consolidated financial statements in accordance with Canadian generally accepted auditing standards and provides a report to the Minister of Employment and Social Development.

Ian Shugart
Deputy Minister
Employment and Social Development Canada

Alain P. Séguin, MBA, CPA, CGA
Chief Financial Officer
Employment and Social Development Canada

Gatineau, Canada
September 1, 2015

Canada Pension Plan — *Continued*

Independent Auditor's Report

To the Minister of Employment and Social Development

I have audited the accompanying consolidated financial statements of the Canada Pension Plan, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of operations, consolidated statement of changes in financial assets available for benefit payments and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Canada Pension Plan as at 31 March 2015, and the results of its operations, changes in its financial assets available for benefit payments, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Michael Ferguson, CPA, CA
FCA (New Brunswick)
Auditor General of Canada

1 September 2015
Ottawa, Canada

Canada Pension Plan — *Continued*

Consolidated Statement of Financial Position as at March 31

(in millions of dollars)

	2015	2014
Financial assets		
Cash (Note 3)	271	167
Receivables (Note 4)	5,325	4,519
Investments (Note 6)	318,481	249,671
Amounts receivable from pending trades (Note 6)	2,908	2,251
	326,985	256,608
Liabilities		
Payables and accrued liabilities (Note 8)	1,106	927
Investment liabilities (Note 6)	50,547	30,820
Amounts payable from pending trades (Note 6)	6,087	1,979
	57,740	33,726
Financial assets available for benefit payments	**269,245**	**222,882**
Non-financial assets		
Tangible capital assets	370	327
Assets available for benefit payments	**269,615**	**223,209**

Actuarial obligation in respect of benefits (Note 14)
Contractual obligations (Note 15)
Contingent liabilities (Note 16)
The accompanying notes are an integral part of these consolidated financial statements.

Approved by:

Ian Shugart
Deputy Minister
Employment and Social Development Canada

Alain P. Séguin, MBA, CPA, CGA
Chief Financial Officer
Employment and Social Development Canada

Consolidated Statement of Operations
for the year ended March 31

(in millions of dollars)

	Budget 2015 (Note 9)	Actual 2015	Actual 2014
Revenues			
Contributions	44,176	45,046	43,181
Net investment income (Note 10)			
Realized gains		8,797	6,099
Unrealized gains		27,208	19,987
Interest income		3,229	2,834
Dividend income		2,324	1,872
Other income		1,413	1,084
Transaction costs		(273)	(216)
Investment management fees		(1,254)	(947)
	9,536	41,444	30,713
	53,712	86,490	73,894
Expenses			
Pensions and benefits			
Retirement	30,105	29,582	28,188
Survivor	4,386	4,334	4,248
Disability	4,175	3,939	4,002
Disabled contributor's child	323	296	300
Death	337	312	333
Orphan	233	213	217
Post-Retirement		142	85
Net overpayments (Note 4)		(71)	(49)
	39,559	38,747	37,324
Operating expenses (Note 12)	961	1,337	1,085
	40,520	40,084	38,409
Net increase in assets available for benefit payments	13,192	46,406	35,485
Assets available for benefit payments, beginning of year	**223,209**	**223,209**	**187,724**
Assets available for benefit payments, end of year	**236,401**	**269,615**	**223,209**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Financial Assets available for Benefit Payments
for the year ended March 31

(in millions of dollars)

	Budget 2015 (Note 9)	Actual 2015	Actual 2014
Net increase in assets available for benefit payments	13,192	46,406	35,485
Changes in non-financial assets		(43)	(255)
Increase in financial assets available for benefit payments	13,192	46,363	35,230
Financial assets available for benefit payments, beginning of year	**222,882**	**222,882**	**187,652**
Financial assets available for benefit payments, end of year	**236,074**	**269,245**	**222,882**

The accompanying notes are an integral part of these consolidated financial statements.

Canada Pension Plan — *Continued*

Consolidated Statement of Cash Flow for the year ended March 31

(in millions of dollars)

	2015	2014
Operating activities		
Cash receipts		
Contributions	44,301	43,659
Dividends on investments	1,960	1,644
Interest on investments	3,235	2,899
Other investment income	1,223	926
Cash payments		
Pensions and benefits	(38,845)	(37,284)
Operating expenses	(1,121)	(1,075)
Investment management fees	(555)	(338)
Transaction costs	(241)	(198)
Payment of interest on debt	(130)	(76)
Cash flows from operating activities	**9,827**	**10,157**
Capital Activities		
Acquisition of tangible capital assets	(43)	(286)
Cash flows used in capital activities	**(43)**	**(286)**
Financing activities		
Issuance of debt	34,678	36,405
Repayment of debt	(34,614)	(36,401)
Cash flows from financing activities	**64**	**4**
Investing activities		
Purchases		
Equities	(158,409)	(95,553)
Real Assets	(6,255)	(6,079)
Bonds and inflation-linked bonds	(273,306)	(329,463)
Money market securities and absolute return strategies	(3,335,451)	(2,543,342)
Other debts	(10,852)	(7,229)
Disposals		
Equities	149,755	94,746
Real Assets	3,539	2,884
Bonds and inflation-linked bonds	275,051	326,986
Money market securities and absolute return strategies	3,341,523	2,542,212
Other debts	4,661	5,038
Cash flows used in investing activities	**(9,744)**	**(9,800)**
Net increase in cash	**104**	**75**
Cash, beginning of year	**167**	**92**
Cash, end of year	**271**	**167**

The accompanying notes are an integral part of these consolidated financial statements.

1. Authority, objective and responsibilities

(a) Description of the Canada Pension Plan

The Canada Pension Plan (CPP) is a federal-provincial plan established by an Act of Parliament in 1965. The CPP is administered by the Government of Canada and the participating provinces.

The CPP began operations in 1966. It is a compulsory and contributory social insurance program operating in all parts of Canada except Quebec, which operates the Régime de rentes du Québec (RRQ), a comparable program. The CPP's objective is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability or death. The CPP is financed by contributions and investment returns. Employers and employees pay contributions equally to the CPP. Self-employed workers pay the full amount.

The Minister of Employment and Social Development is responsible for the administration of the CPP, under the legislation *Canada Pension Plan*; the Minister of National Revenue is responsible for collecting contributions. The Minister of Finance and his provincial counterparts are responsible for setting CPP contribution rates, pension and benefit levels and funding policy. The CPP Investment Board (CPPIB) is responsible for managing the amounts that are being transferred under section 108.1 of the *Canada Pension Plan*. It acts in the best interests of the beneficiaries and contributors under the Act.

In accordance with the *Canada Pension Plan*, the financial activities of the CPP are recorded in the CPP Account (Note 3). The financial transactions affecting the Account are governed by the *Canada Pension Plan* and its regulations. The CPP's investments are held by the CPPIB. The CPPIB was established pursuant to the *Canada Pension Plan Investment Board Act* (*CPPIB Act*). The CPPIB is a federal Crown corporation and all of its shares are owned by Her Majesty the Queen in right of Canada.

The CPPIB's transactions are governed by the *CPPIB Act* and its accompanying regulations. The CPPIB's assets are to be invested with a view to achieving a maximum rate of return without undue risk of loss, with regard to the factors that may affect the funding of the CPP and its ability to meet its financial obligations on any given business day.

The CPPIB and its wholly-owned subsidiaries are exempt from Part I income tax under paragraphs 149(1)*(d)* and 149 (1)*(d.2)* of the *Income Tax Act* (Canada) on the basis that all of the shares of the CPPIB and its subsidiaries are owned by Her Majesty the Queen in right of Canada or by a corporation whose shares are owned by Her Majesty the Queen in right of Canada, respectively.

The CPPIB is designed to operate at arm's length from the government. It is required to be accountable to the public, Parliament (through the federal Minister of Finance) and the provinces. It provides regular reports of its activities and the results achieved. The financial statements of the CPPIB are audited annually by an external firm and are included in its annual report.

As stated in the *Canada Pension Plan* and *CPPIB Act*, changes to these Acts require the approval of at least two-thirds of the provinces that have, in the aggregate, not less than two-thirds of the population of all included provinces.

(b) Pensions and Benefits

Retirement pensions – A retirement pension is payable to CPP contributors at age 60 or older, according to the provisions of the Act. The monthly amount is equal to 25 percent of the contributor's average monthly pensionable earnings during the pensionable period. The amount is reduced or increased depending upon whether the contributor applies for a retirement pension before or after age 65. The maximum new monthly pension payable at age 65 in 2015 is $1,065.00 (2014 – $1,038.33).

Post-retirement benefits – A post-retirement benefit (PRB) pension is payable to each retirement pension recipient who has continued to work and has made contributions to the PRB while between the ages of 60 and 70, according to provisions of Bill C-51 of 2009. The PRB payments to eligible contributors came into effect on January 1, 2013. The maximum new monthly PRB at age 65 in 2015 is $26.63 (2014 – $25.96).

Disability benefits – A disability benefit is payable to a contributor who is disabled, according to the provisions of the Act. The amount of the disability benefit to be paid includes a flat-rate portion and an amount equal to 75 percent of the earned retirement pension. The maximum new monthly disability benefit in 2015 is $1,264.59 (2014 – $1,236.35).

Survivor's benefits – A survivor's benefit is payable to the spouse or common-law partner (the beneficiary) of a deceased contributor, according to the provisions of the Act. For a beneficiary under the age of 65, the benefit consists of a flat-rate portion and an amount equal to 37.5 percent of the deceased contributor's earned retirement pension. A beneficiary between the ages of 35 and 45 who is not disabled or who has no dependent children receives reduced benefits. For beneficiaries aged 65 and over, the benefit is equal to 60 percent of the retirement pension granted to the deceased contributor. The maximum new monthly benefit payable to a beneficiary in 2015 is $639.00 (2014 – $623.00).

Canada Pension Plan — *Continued*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Continued*

Disabled contributor's child and orphan benefits – According to the provisions of the Act, each child of a contributor who is receiving disability benefits or a child of a deceased contributor is entitled to a benefit as long as the child is under the age of 18, or is between the ages of 18 and 25 and attending school full-time. The flat-rate monthly benefit in 2015 is $234.87 (2014 – $230.72).

Death benefits – According to the provisions of the Act, a death benefit is a one-time payment to, or on behalf of, the estate of a contributor. The death benefit is a lump-sum payment that amounts to six times the amount of the deceased contributor's monthly retirement pension, up to a maximum, in 2015, of $2,500.00 (2014 – $2,500.00).

Pensions and benefits indexation – As required by the Act, pensions and benefits are indexed annually based on the Consumer Price Index for Canada. The rate of indexation for 2015 is 1.8 percent (2014 – 0.9 percent).

2. Significant accounting policies

(a) Basis of presentation

These financial statements are presented on a consolidated basis. They include the consolidated statement of financial position, the consolidated statement of operations, the consolidated statement of changes in financial assets available for benefit payments and the consolidated statement of cash flow of the CPP and the CPPIB. These financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS).

The CPP, which is managed by both the Government of Canada and participating provinces, is not considered to be part of the reporting entity of the Government of Canada. Accordingly, its financial activities are not consolidated with those of the Government.

(b) International financial reporting standards

The CPPIB, which is a significant component of the CPP consolidated financial statements, adopted International Financial Reporting Standards (IFRS) as of April 1, 2014. While there is no impact on financial assets available for benefit payments and net increase in assets available for benefit payments as a result of CPPIB's IFRS adoption, CPPIB's incremental financial statement disclosures related to investments, investment receivables and investment liabilities is supplementary information to the requirements of the PSAS.

(c) Financial instruments

The CPP, through CPPIB, measures its investments, investment receivables and investment liabilities at fair value.

The investments and investment receivables are measured at fair value on the basis that they are part of a portfolio managed and evaluated on a fair value basis in accordance with investment strategies and risk management of CPPIB.

Investment liabilities are measured at fair value upon meeting the following criteria:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

The CPP, through the CPPIB, recognizes investments, investment receivables and investment liabilities when, and only when, it becomes a party to the contractual provisions of the instrument. In addition, these are recorded on a trade date basis.

Investments and investment receivables are derecognized when the contractual rights to receive the cash flows expire or where the CPP, through CPPIB, has transferred its rights to receive cash flows from the asset and where it has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Investment liabilities are derecognized by CPP, through CPPIB, when the obligation under the liabilities is discharged, cancelled or expires.

Upon initial recognition, investments, investment receivables and investment liabilities are measured at fair value. Subsequent changes in the fair value are recorded as unrealized gain (loss) on investments and included in net investment income (loss), along with the interest and dividend income elements of such financial instruments.

(d) Valuation of investments, investment receivables and investment liabilities

Investments, investment receivables and investment liabilities are recorded on a trade date basis and are stated at fair value. Fair value is an estimate of the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

In an active market, fair value is best evidenced by an independent quoted market price. In the absence of an active market, fair value is determined by valuation techniques that make maximum use of inputs observed from markets. These valuation techniques include using recent arm's length market transactions, if available, or current fair value of another investment that is substantially the same, discounted cash flow analysis, pricing models and other accepted industry valuation methods, that may include the use of estimates made by management, appraisers or both where significant judgment is required. By using valuation methods based on reasonable alternative assumptions, different fair values could result. CPPIB's management has determined that the potential impact on fair values using these reasonable alternative assumptions would not be significant.

(e) Contributions

Contributions include CPP contributions earned for the year. The Canada Revenue Agency (CRA) collects contributions and measures them using the assessment of tax returns. In determining the amount of contributions earned for the year, the CRA considers cash received and contributions assessed, and makes an estimate for contributions related to tax returns not yet assessed. This estimate is subject to review. Adjustments, if any, are recorded as contributions in the year they are known.

Following the legislative change brought by Bill C-51 of 2009, CPP contributions toward the new PRB are being collected. As of January 1, 2012, Canadians working outside Quebec who receive CPP or RRQ retirement benefits began making contributions to the PRB. Contributions are mandatory for CPP or RRQ retirement pension recipients aged 60-65. Those between the ages of 65 and 70 can choose not to contribute. The PRB becomes payable the year after contributions are made.

(f) Investment income

Income from investments includes realized gains and losses from investments, changes in unrealized gains and losses on investments, dividend income, interest income and net operating income from private real estate investments. Dividend income is recognized on the ex-dividend date, which is when the right to receive the dividend has been established. Interest income is recognized using the effective interest rate method.

(g) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition or disposal of an investment. Transaction costs are expensed as incurred and included in net investment income (loss).

(h) Investment management fees

Investment management fees are paid to investment managers for externally managed investments. Investment management fees are expensed as incurred and included in net investment income (loss).

(i) Securities purchased under reverse repurchase agreements and sold under repurchase agreements

Securities purchased under reverse repurchase agreements represent the purchase of securities effected with a simultaneous agreement to sell them back at a specified price at a specified future date and are accounted for as an investment receivable. These securities are not recognized as an investment of the CPP, through the CPPIB. The fair value of securities to be resold under these reverse repurchase agreements is monitored and additional collateral is obtained, when appropriate, to protect against credit exposure. In the event of counterparty default, the CPP, through the CPPIB, has the right to liquidate the collateral held.

Securities sold under repurchase agreements are accounted for as collateralized borrowing because they represent the sale of securities with a simultaneous agreement to buy them back at a specified price at a specified future date. The securities sold continue to be recognized as an investment of the CPP, through the CPPIB, with any changes in fair value recorded as net gain (loss) on investments and included in net investment income (loss). Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements is included in net investment income (loss) (refer to Note 10).

(j) Securities sold short

Securities sold short represent securities that are sold, but not owned, by the CPP, through the CPPIB. The CPP, through the CPPIB, has an obligation to cover these short positions, which are accounted for as an investment liability based on the fair value of the securities sold. Collateral is pledged to the counterparty, when appropriate (refer to Note 7). Interest and dividend expense on securities sold short are included in net investment income (loss) (refer to Note 10).

Canada Pension Plan — *Continued*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Continued*

(k) Translation of foreign currencies

Transactions, including purchases and sales of investments, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Investments and monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing on the year-end date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Foreign currency transaction gains and losses on financial instruments are included in net investment income (loss) (refer to Note 10).

(l) Pensions and benefits

Pensions and benefits expenses are recorded when incurred or reasonably estimated.

(m) Tax deductions due to the Canada Revenue Agency

Tax deductions due to the CRA consist primarily of voluntary and non-resident taxes withheld from pensions and benefit payments to CPP beneficiaries (refer to Note 8).

(n) Net overpayments

Net overpayments comprise overpayments of pensions and benefits that were established during the year less remissions of debts granted.

(o) Operating expenses

Operating expenses are recorded as incurred.

(p) Other claims and legal actions

The CPP records an allowance for claims and legal proceedings when it is likely that there will be a future payment and a reasonable estimate can be made.

(q) Measurement uncertainty

The preparation of consolidated financial statements in accordance with PSAS requires management to make certain estimates, judgments and assumptions that affect the reported values of assets and liabilities as at the date of the financial statements and revenues and expenses during the reporting period. Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Significant estimates and judgments are required principally in determining the reported estimated contributions, allowance for doubtful accounts, contingent liabilities, actuarial obligation in respect of benefits and valuation of financial instruments which are not actively traded. Measurement uncertainty exists in these consolidated financial statements. Actual results could significantly differ from those estimates.

(r) Future changes in accounting standards

Financial instruments

The Public Sector Accounting Board (PSAB) issued new sections in 2011 and has recently deferred their concurrent adoption date to April 1, 2019. The CPP is currently analyzing the impact of these new standards on its consolidated financial statements:

i. Financial instruments

The new section 3450 (financial instruments) establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Items within the scope of the section are assigned to one of two measurement categories: fair value and cost or amortized cost. Fair value measurement will apply to portfolio investments in equity instruments that are quoted in an active market. Other financial assets and financial liabilities will generally be measured at cost or amortized cost, unless the entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis, then the entity may include those items in the fair value category. Until an item is derecognized, gains and losses arising as a result of fair value remeasurement will be reported in the Consolidated Statement of Remeasurement Gains and Losses.

Canada Pension Plan — *Continued*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Continued*

ii. Foreign currency translation

The revised section 2601 (foreign currency translation) requires that remeasurement gains and losses on foreign currency translation be reported in a new Consolidated Statement of Remeasurement Gains and Losses until such time as the financial instrument is derecognized, at which point, the accumulated remeasurement gain and loss is recognized in the Consolidated Statement of Operations.

iii. Financial statement presentation

The revised section 1201 (financial statements presentation) establishes the general principles and information standards applicable to consolidated financial statements. It requires that remeasurement gains and losses be reported in a new statement. Also, the assets available for benefit payments will be presented as the total of the net increase in assets available for benefit payments for the year and the accumulated remeasurement gains and losses.

3. Cash

Cash consists of the total cash held by the CPP Account and the CPPIB. The CPP Account was established in the accounts of Canada by the *Canada Pension Plan* to record the contributions, interest, pensions, benefits and operating expenses of the CPP. It also records the amounts transferred to or received from the CPPIB. As at March 31, 2015, the deposit with the Receiver General for Canada in the CPP Account is $212 million (2014 – $140 million) and the CPPIB's cash is $59 million (2014 – $27 million) for a total of $271 million (2014 – $167 million).

4. Receivables

Receivables comprised the following:

	2015	2014
	(in millions of dollars)	
Contributions	5,114	4,368
Régime de rentes du Québec	162	116
Beneficiaries		
Balance of pensions and benefits overpayments	169	147
Allowance for doubtful accounts	(120)	(112)
	5,325	4,519

Contributions receivable represent the estimated amount to be collected from the CRA relating to contributions earned at year end and adjusted for tax returns not yet assessed. The amount includes an estimate that takes into consideration the number of contributors and the average contribution to be received, which is based on the average earning and the CPP contribution rate. On an annual basis, the model used to make the estimate is reviewed. The difference between the estimate and the actual amount has not been significant in the past.

The CPP has procedures to detect overpayments. During the year, overpayments totalling $75 million (2014 – $53 million) were established and debts totalling $4 million (2014 – $4 million) were forgiven as per the remission provisions of the *Canada Pension Plan*. A further $49 million (2014 – $36 million) was recovered through collection of payments and withholdings from beneficiaries.

Canada Pension Plan — *Continued*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Continued*

5. Investment activities risk management

The CPP, through the investment activities carried out by the CPPIB, is exposed to a variety of financial risks. These risks include market risk, credit risk and liquidity risk. The CPPIB manages and mitigates financial risks through the Risk/Return Accountability Framework that is contained within the investment policies and approved by the Board of Directors at least once every fiscal year. This framework contains risk limits and risk management provisions that govern investment decisions. It has been designed to achieve the mandate of the CPPIB, which is to invest its assets with a view to achieving a maximum rate of return, without undue risk of loss, having regard to the factors that may affect the funding of the CPP and the ability of the CPP to meet its financial obligations on any given business day.

An active risk limit is included within the Risk/Return Accountability Framework, which represents a limit on the amount of investment risk that the CPPIB can take relative to the CPP Reference Portfolio. The CPP Reference Portfolio is approved by the Board of Directors and serves as a performance benchmark against which the CPPIB's value-added activities are measured. The objective of the CPPIB is to create value-added investment returns greater than the returns that would be generated by the CPP Reference Portfolio. The CPPIB monitors the active risk in the CPP Investment Portfolio daily and reports active risk exposures to the Board of Directors on at least a quarterly basis.

i. *Market Risk*: Market risk (including currency risk, interest rate risk and other price risk) is the risk that the fair value or future cash flows of an investment or investment liability will fluctuate because of changes in market prices and rates.

Currency Risk: The CPP, through the CPPIB, is exposed to currency risk through holdings of investments or investment liabilities in various currencies.

In Canadian dollars, the net underlying currency exposures, after allocating foreign currency derivatives, as at March 31, are as follows:

(in millions of dollars)

	2015		2014	
Currency	Net exposure	% of total	Net exposure	% of total
United States Dollar	116,292	59	83,612	58
Euro	30,955	16	22,241	15
British Pound Sterling	12,595	6	9,380	7
Japanese Yen	11,879	6	6,966	5
Australian Dollar	6,499	3	7,222	5
Chinese Yuan	2,614	1	917	1
Hong Kong Dollar	2,425	1	2,285	1
Swiss Franc	2,045	1	843	1
Chilean Peso	1,855	1	1,459	1
South Korean Won	1,792	1	1,468	1
Brazilian Real	1,404	1	1,017	1
Indian Rupee	1,344	1	613	1
Swedish Krona	1,313	1	849	1
Other	4,344	2	4,010	2
	197,356	100	142,882	100

Canada Pension Plan — *Continued*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Continued*

As at March 31, 2015, with all other variables and underlying values held constant, a change in the value of the Canadian dollar against major foreign currencies by 5 percent would result in an approximate increase (decrease) in the value of investments and investments liabilities as follows:

(in millions of dollars)

	2015		2014	
	Change in Investment Value		Change in Investment Value	
Currency	+5%	-5%	+5%	-5%
United States Dollar	(5,815)	5,815	(4,181)	4,181
Euro	(1,548)	1,548	(1,112)	1,112
British Pound Sterling	(630)	630	(469)	469
Japanese Yen	(594)	594	(348)	348
Australian Dollar	(325)	325	(361)	361
Chinese Yuan	(131)	131	(46)	46
Hong Kong Dollar	(121)	121	(114)	114
Swiss Franc	(102)	102	(42)	42
Chilean Peso	(93)	93	(73)	73
South Korean Won	(89)	89	(73)	73
Brazilian Real	(70)	70	(51)	51
Indian Rupee	(67)	67	(31)	31
Swedish Krona	(66)	66	(42)	42
Other	(217)	217	(201)	201
	(9,868)	9,868	(7,144)	7,144

Interest Rate Risk: Interest rate risk is the risk that the fair value or future cash flows of an investment or investment-related liability will fluctuate because of changes in market interest rates.

Other Price Risk: Other price risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in market prices arising primarily from equity price risk, commodity price risk and credit spread risk, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market.

ii. Credit Risk: Credit risk is the risk of financial loss due to a counterparty failing to meet its contractual obligations, or a reduction in the value of the assets due to a decline in the credit quality of the borrower, counterparty, guarantor or the assets (collateral) supporting the credit exposure. The CPP's, through the CPPIB, most significant exposure to credit risk is through its investment in debt securities, over the counter derivatives (as discussed in Note 6*(f)*) and guarantees. The carrying amounts of these investments and guarantees are presented in Note 6 and Note 16*(c)* respectively.

iii. Liquidity Risk: Liquidity risk is the risk of being unable to generate sufficient cash or its equivalent in a timely and cost-effective manner to meet investment commitments and investment liabilities as they come due. The CPP, through the CPPIB, manages liquidity risk through its ability to raise funds through the issuance of commercial paper and transacting in securities sold under repurchase agreements (refer to Note 6 and Note 7).

The CPPIB maintains $1.5 billion (2014 – $1.5 billion) of unsecured credit facilities to meet potential liquidity requirements. As at March 31, 2015, the total amount drawn on the credit facilities is $nil (2014 – $nil). The CPPIB also has the ability to readily dispose of certain investments that are traded in an active market. These include a liquid portfolio of publicly traded equities, money market securities and marketable bonds.

The CPPIB is also exposed to liquidity risk through its responsibility for providing cash management services to the CPP (refer to Note 18). In order to manage liquidity risk associated with this short-term cash management program, certain assets are segregated and managed separately. Liquidity risk is also managed by investing these assets in liquid money market instruments with the primary objective of ensuring that the CPP has the necessary liquidity to meet benefit payment obligations on any business day.

Canada Pension Plan — *Continued*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Continued*

6. Investments and investment liabilities

As stated in Note 1, the role of the CPPIB is to invest the assets with a view to achieving a maximum rate of return without undue risk of loss, with regard to the factors that may affect the funding of the CPP and the ability of the CPP to meet its financial obligations on any given business day. To achieve its mandate, the CPPIB has established investment policies in accordance with its regulations. These set out the manner in which their assets shall be invested and their financial risks managed and mitigated through the Risk/Return Accountability Framework.

The CPPIB's investments are grouped by asset class based on the risk/return characteristics of the investment strategies of the underlying portfolios. The investments, before allocating derivative contracts, associated money market securities and other investment receivables and liabilities to the asset classes to which they relate, are as follows:

	2015	2014
	(in millions of dollars)	
Equities		
Canada	8,798	8,464
Foreign developed markets	114,274	85,238
Emerging markets	14,217	11,068
Total equities	**137,289**	**104,770**
Fixed income		
Bonds	65,642	55,258
Other debts	22,428	13,883
Money market securities	17,740	19,663
Total fixed income	**105,810**	**88,804**
Absolute return strategies	**16,185**	**12,243**
Real assets		
Real estate	30,375	25,461
Infrastructure	15,013	13,123
Total real assets	**45,388**	**38,584**
Investment receivables		
Securities purchased under reverse repurchase agreements	10,817	3,221
Accrued interest	928	907
Derivative receivables	1,882	1,010
Dividends receivable	182	132
Total investment receivables	**13,809**	**5,270**
Total investments	**318,481**	**249,671**
Investment liabilities		
Securities sold under repurchase agreements	(15,779)	(5,230)
Securities sold short	(22,385)	(14,874)
Debt financing liabilities	(9,955)	(9,654)
Derivative liabilities	(2,428)	(1,062)
Total investment liabilities	**(50,547)**	**(30,820)**
Amounts receivable from pending trades	2,908	2,251
Amounts payable from pending trades	(6,087)	(1,979)
Net investments (1)	**264,755**	**219,123**

(1) The total of net investments not actively traded as at March 31, 2015 is $166,210 million (2014 – $144,146 million).

(a) Equities

Equities consist of public and private investments in each of these three markets: Canadian, foreign developed and emerging.

i. Public equity investments are made directly or through funds. As at March 31, 2015, public equities include fund investments with a fair value of $8,541 million (2014 – $6,000 million).

ii. Private equity investments are generally made directly or through ownership in limited partnership funds. The private equity investments represent equity ownerships or investments with the risk and return characteristics of equity. As at March 31, 2015, the fair value of private equities is $18,473 million (2014 – $15,037 million).

(b) Fixed income

i. Bonds consist of non-marketable and marketable bonds.

The non-marketable bonds issued by the provinces prior to 1998 have rollover provisions attached to them by the Act. These provisions permit each issuer, at its option, to roll over the bonds on maturity for a further 20-year term at a rate based on capital markets borrowing rates for that province existing at the time of rollover. The non-marketable bonds are also redeemable before maturity at the option of the issuers.

In lieu of exercising its statutory rollover right described in the preceding paragraph, agreements between the CPPIB and the provinces permit each province to repay the bond and concurrently cause the CPPIB to purchase a replacement bond or bonds in a total principal amount not exceeding the principal amount of the maturing security for a term of not less than five years and not more than 30 years. Such replacement bonds contain rollover provisions that permit the issuer, at its option, to roll over the bond for successive terms of not less than five years and subject in all cases to the maximum 30 years outside maturity date. The replacement bonds are also redeemable before maturity at the option of the issuers.

ii. Other debt consists of investments in direct private debt, asset-backed securities, intellectual property, royalties, distressed mortgage funds and private debt funds.

iii. Money market securities consist of cash, term deposits, treasury bills and commercial paper.

(c) Absolute return strategies

Absolute return strategies consist of investments in funds and internally managed portfolios whose objective is to generate positive returns regardless of market conditions, that is, returns with a low correlation to broad market indices. The underlying securities of the funds and the internally managed portfolios could include, but are not limited to, equities, fixed income securities and derivatives.

(d) Real assets

i. The CPPIB obtains exposure to real estate through direct investments in privately held real estate, real estate funds and publicly traded securities.

Private real estate investments are managed on behalf of the CPPIB by investment managers primarily through co-ownership arrangements. As at March 31, 2015, real estate investments include assets of $30,375 million (2014 – $25,461 million).

ii. Infrastructure investments are generally made directly. As at March, 2015, infrastructure includes direct investments with a fair value of $14,956 million (2014 – $12,795 million) and $57 million in fund investments (2014 – $328 million).

(e) Securities purchased under reverse repurchase agreements and sold under repurchase agreements

Reverse repurchase and repurchase agreements are carried at the amounts at which the securities were initially acquired or sold, which, together with accrued interest income or expense, approximates fair value due to the short-term nature of these securities.

The terms to maturity of the securities purchased under reverse repurchase agreements, as at March 31, 2015, are as follows: within 1 year, $10,817 million (2014 – $3,221 million); 1 year to over 10 years, $nil (2014 – $nil).

The terms to maturity of the undiscounted value of the securities sold under repurchase agreements, as at March 31, 2015, are as follows: within 1 year, $15,780 million (2014 – $5,231 million); 1 year to over 10 years, $nil (2014 – $nil).

Canada Pension Plan — *Continued*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Continued*

(f) Derivative contracts

A derivative contract is a financial contract, the value of which is derived from the value of underlying assets, indices, interest rates, currency exchange rates or other market-based factors. Derivatives are transacted through regulated exchanges or negotiated in over-the-counter markets. The CPPIB uses different types of derivative instruments, which include futures and forwards, swaps, options and warrants.

Notional amounts of derivative contracts represent the contractual amounts to which a rate or price is applied for computing the cash flows to be exchanged. The notional amounts are used to determine the gains/losses and fair value of the contracts. They are not recorded as assets or liabilities on the Consolidated Statement of Financial Position. Notional amounts do not necessarily represent the amount of potential market risk or credit risk arising from a derivative contract.

The fair value of these contracts is reported as derivative receivables and derivative liabilities on the schedule of investments as shown above.

The CPPIB uses derivatives to generate value-added investment returns and to manage or adjust exposures to interest rate, currency, credit and other market risks without directly purchasing or selling the underlying instrument.

(g) Securities sold short

As at March 31, 2015, securities sold short of $22,385 million (2014 – $14,874 million) are considered repayable within one year based on the earliest period in which the counterparty could request payment under certain conditions.

(h) Debt financing liabilities

Debt financing liabilities are recorded at the amount originally issued, which, together with accrued interest expenses, approximate fair value due to the short-term nature of these liabilities. The terms to maturity of the undiscounted principal repayments of the debt financing liabilities as at March 31, 2015, are as follows: within 1 year, $9,959 million (2014 – $9,663 million), and 1 year to over 10 years, $nil (2014 – $nil).

7. Collateral

Collateral transactions are conducted to support CPPIB's investment activities under the terms and conditions that are common and customary to collateral arrangements. The net fair value of collateral held and pledged as at March 31 are as follows:

	2015	2014
	(in millions of dollars)	
Assets held as collateral on:		
Reverse repurchase agreements [1]	10,812	3,221
Over-the-counter derivative transactions [1]	33	134
Other debt [1]	1,195	1,129
Assets pledged as collateral on:		
Repurchase agreements	(15,792)	(5,227)
Securities sold short	(14,938)	(14,690)
Over-the-counter derivative transactions	(266)	
Debt on private real estate properties	(3,266)	(2,605)
	(22,222)	(18,038)

[1] The fair value of the collateral held that may be sold or repledged as at March 31, 2015 is $12,009 million (2014 – $4,371 million). The fair value of collateral sold or repledged as at March 31, 2015 is $10,368 million (2014 – $3,216 million).

8. Payables and accrued liabilities

Payables and accrued liabilities are comprised of the following:

	2015	2014
	(in millions of dollars)	
Operating expenses	566	350
Pensions and benefits payable	372	425
Tax deductions on benefits due to the Canada Revenue Agency	168	152
	1,106	927

9. Comparison of results against budget

The budget amounts included in the Consolidated Statement of Operations and the Consolidated Statement of Change in Financial Assets Available for Benefit Payments are derived from the amounts that were originally budgeted in the Employment and Social Development Canada *2014-2015 Report on Plans and Priorities*, tabled in Parliament in March 2014 and amounts forecasted by the Office of the Superintendent of Financial Institutions.

10. Net investment income (Loss)

Net investment income (loss) is reported net of transaction costs and investment management fees, and is grouped by asset class based on the risk/return characteristics of the investment strategies of the underlying portfolios.

Net investment income (loss), after giving effect to derivative contracts and investment receivables and liabilities for the year ended March 31, is as follows:

(in millions of dollars)

	2015					
	Investment income (loss) [1]	Net gain (loss) on investments [2], [3], [4]	Total investment income (loss)	Investment management fees	Transaction costs	Net investment income (loss)
Equities						
Canada	17	1,753	1,770	(12)	(12)	1,746
Foreign developed markets	1,692	19,267	20,959	(448)	(41)	20,470
Emerging markets	266	3,339	3,605	(121)	(7)	3,477
	1,975	24,359	26,334	(581)	(60)	25,693
Fixed income						
Bonds	1,794	4,526	6,320			6,320
Other debt	909	1,801	2,710	(114)	(9)	2,587
Money market securities [5]	334	2,507	2,841	(467)	(62)	2,312
Debt financing liabilities	(32)	(1,194)	(1,226)			(1,226)
	3,005	7,640	10,645	(581)	(71)	9,993
Real assets						
Real estate	1,261	2,521	3,782	(90)	(97)	3,595
Infrastructure	721	1,486	2,207	(2)	(45)	2,160
	1,982	4,007	5,989	(92)	(142)	5,755
Interest on operating balance	3		3			3
	6,965	36,006	42,971	(1,254)	(273)	41,444

The notes are on the following page.

Canada Pension Plan — *Continued*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Continued*

(in millions of dollars)

	2014					
	Investment income (loss) [1]	Net gain (loss) on investments [2], [3], [4]	Total investment income (loss)	Investment management fees	Transaction costs	Net investment income (loss)
Equities						
Canada	49	2,851	2,900	(9)	(14)	2,877
Foreign developed markets	1,422	16,737	18,159	(320)	(48)	17,791
Emerging markets	228	1,167	1,395	(108)	(7)	1,280
	1,699	20,755	22,454	(437)	(69)	21,948
Fixed income						
Bonds	1,695	(1,607)	88			88
Other debt	662	1,208	1,870	(83)	(6)	1,781
Money market securities [5]	263	2,085	2,348	(311)	(40)	1,997
Debt financing liabilities	(33)	(704)	(737)			(737)
	2,587	982	3,569	(394)	(46)	3,129
Real assets						
Real estate	967	3,003	3,970	(113)	(74)	3,783
Infrastructure	534	1,346	1,880	(3)	(27)	1,850
	1,501	4,349	5,850	(116)	(101)	5,633
Interest on operating balance	3		3			3
	5,790	26,086	31,876	(947)	(216)	30,713

[1] Includes interest income, dividends, private real estate operating income (net of interest expense), interest expense on the debt financing liabilities and other investment-related income and expenses.

[2] Includes realized gains and losses from investments, and unrealized gains and losses on investments held at the end of the year.

[3] Includes foreign exchange gains of $7,800 million (2014 – gains of $9,700 million).

[4] Includes net unrealized gains of $9,197 million (2014 – $10,203 million) which represents the change in fair value on those investments where the fair value is derived primarily from assumptions based on non-observable market data and still held at the end of the year.

[5] Includes absolute return strategies, consisting of investments in funds and internally managed portfolios.

11. Estimated overpayments and underpayments of benefits

In order to measure the accuracy of CPP benefit payments, the CPP relies on a quality program (the CPP Payment Accuracy Review) which estimates, through statistical extrapolation, the most likely value of incorrect benefit payments.

For benefits paid during the 12 months ended March 31, 2015, undetected overpayments and underpayments are estimated to be $18.4 million and $30.4 million respectively ($0.3 million and $99.7 million in 2013-2014). These estimates are used by the CPP to assess the quality and accuracy of decisions and to continuously improve its systems and practices for processing CPP benefits.

The actual overpayments established during the year, as indicated in Note 4, are not directly linked to the above noted estimated overpayments and underpayments of benefits for the same period.

12. Operating expenses

CPP's operating expenses are composed of costs incurred by various Government of Canada (GoC) departments (refer to Note 17) for the administration of the CPP's activities as well as the CPPIB's operating expenses.

(in millions of dollars)

	2015			2014		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Personnel related costs, including the Health Insurance Plan	255	558	813	226	400	626
Collection of contributions and investigation services	173		173	169		169
Operational business services		89	89		59	59
Program policy and delivery, accomodation and corporate services	88		88	102		102
Professional and consulting fees		61	61		43	43
Premises		28	28		20	20
Amortization of premises and equipment		25	25		24	24
Cheque issue and computer services	9		9	9		9
Support services of the Social Security Tribunal	7		7			
Others	2	42	44	3	30	33
	534	803	1,337	509	576	1,085

13. Financing of the Canada Pension Plan

The CPP is financed by contributions and investment returns. Employers and employees pay contributions equally to the CPP, and self-employed workers pay the full amount. At the time of the Plan's inception in 1965, the demographic and economic conditions made pay-as-you-go financing appropriate. The pay-as-you-go financing, along with a small reserve equivalent to about two years' worth of expenditures, meant the pensions and benefits for one generation would be paid largely from the contributions of later generations. However, changing demographics and economic conditions over time led to increasing CPP costs, and by the mid-1990s the fall in the level of assets of the CPP resulted in a portion of the reserve being required to cover expenditures. Therefore, for the CPP to remain unchanged, the contribution rate would have needed to be increased regularly.

As a result, the CPP was amended in 1997 to restore its long-term financial sustainability and to improve fairness across generations by changing its financing approach from a pay-as-you-go basis to a form of partial funding called steady-state funding, along with incremental full funding rules for new or enhanced benefits, and reducing the growth of benefits over the long term. In addition, a new investment policy was put in place, along with the creation of the CPPIB. Moreover, the statutory periodic reviews of the Plan by the federal and provincial financial ministers were increased from once every five years to every three years.

Key among the 1997 changes was the introduction of self-sustaining provisions to safeguard the Plan: in the event that the projected minimum contribution rate is greater than the legislated contribution rate and no recommendations are made by the Finance Ministers to correct the situation, the contribution rate would automatically increase and the indexation of the current benefits would be suspended.

The federal, provincial and territorial finance ministers took additional steps in 1999 to strengthen the transparency and accountability of actuarial reporting on the CPP by endorsing regular independent peer reviews of actuarial reports and consultations by the Chief Actuary with experts on the assumptions to be used in the actuarial reports.

The most recent triennial report, the *Twenty-sixth Actuarial Report on the Canada Pension Plan* as at December 31, 2012, was tabled in Parliament on December 3, 2013. The next triennial actuarial report as at December 31, 2015, is expected to be tabled by December 2016. According to the *Twenty-sixth Actuarial Report*, under the current legislated contribution rate of 9.9 percent, the Plan's assets are expected to increase significantly, with the asset/expenditure ratio growing from 4.7 in 2013 to about 5.4 by 2025 and to 5.9 by 2075.

Canada Pension Plan — *Continued*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Continued*

A number of assumptions were used in the *Twenty-sixth Actuarial Report* to project the CPP's revenues and expenditures over the long projection period of 75 years, and to determine the minimum contribution rate. The assumptions provided in the table below represent the best estimates according to the Chief Actuary's professional judgment relating to demographic, economic, and other factors; and have been peer reviewed by an independent expert actuary's panel.

	As at 31 December 2012		As at 31 December 2009	
	Male	Female	Male	Female
Canadian life expectancy				
at birth in 2013 (2009 – in 2010)	86.1 years	89.1 years	85.4 years	88.3 years
at age 65 in 2013 (2009 – in 2010)	20.9 years	23.3 years	20.2 years	22.6 years
Retirement rates for cohort at age 60	34% (2016+)	38% (2016+)	38% (2016+)	41% (2016+)
CPP disability incidence rates (per 1,000 eligible)	3.30 (2017+)	3.75 (2017+)	3.40 (2015+) [1]	3.79 (2015+) [1]
Total fertility rate	1.65 (2015+)		1.65 (2015+)	
Net migration rate	0.60% of population for 2017+		0.58% of population for 2023+	
Participation rate (age group 15-69)	76.8% (2030)		75.2% (2030)	
Employment rate (age group 15-69)	72.1% (2030)		70.6% (2030)	
Unemployment rate	6.0% (2023+)		6.1% (2022+)	
Rate of increase in prices	2.2% (2021+)		2.3% (2019+)	
Real-wage increase	1.2% (2020+)		1.3% (2019+)	
Real rate of return	4.0% (2019+)		4.0% (2017+) [2]	

(1) The ultimate disability incidence rates assumption of the 25th *CPP Actuarial Report* has been adjusted based on the 2012 eligible population in order to compare with the assumption for this 26th *CPP Actuarial Report* on the same basis.

(2) For the 26th *CPP Actuarial Report*, the real rate of return assumption is net of all investment expenses, including CPPIB operating expenses. On a comparable basis, the ultimate real rate of return assumption of the 25th *CPP Actuarial Report* would be restated as 3.9 percent to reflect this improvement in the methodology.

In the *Twenty-sixth Actuarial Report*, the minimum contribution rate, which is the lowest rate to sustain the CPP, was determined to be 9.84 percent of contributory earnings for the year 2016 and thereafter (9.86 percent before 2023 and 9.85 percent for the year 2023 and thereafter in the *Twenty-fifth Actuarial Report*).

The CPP assets available for benefit payments represent the funds accumulated for the payment of pensions, benefits, and operating expenses, i.e. total CPP expenditures. The partial funding nature of the CPP means that contributions as opposed to these assets are the main source for financing CPP expenditures. The *Twenty-sixth Actuarial Report* confirms that, on the basis of the assumptions selected, the current legislated combined employer-employee contribution rate of 9.9 percent is and will continue to be sufficient to pay for future expenditures over the period 2013 to 2022. Thereafter, a portion of investment income (27 percent in 2050) will be required to make up the difference between contributions and expenditures. Under the current legislated contribution rate of 9.9 percent, total assets available for benefit payments are expected to grow to $300 billion by the end of 2020.

As at March 31, 2015, the value of CPP assets available for benefit payments is $269.6 billion (2014 – $223.2 billion). This amount represents approximately 6.3 times the 2016 planned expenditures of $42.9 billion (2014 – 5.6 times).

A variety of tests were performed to measure the sensitivity of the long-term projected financial position of the CPP to future changes in the demographic and economic environments. Key best-estimate demographic and economic assumptions were varied individually to measure the potential impact on the financial status of the CPP.

Canada Pension Plan — *Continued*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Continued*

The low-cost and high-cost alternatives for the three most sensitive assumptions are shown in the table below. In the case of mortality, the assumptions for the low-cost and high-cost alternatives were developed using a combination of confidence intervals and different long-term trajectories. In the case of real wage increase and real rate of return, these assumptions are defined as the upper and lower boundaries of the 80 percent confidence intervals.

	Low-Cost		Best-Estimate		High-Cost	
Mortality:						
Canadian life expectancy at age 65 in 2050	Males	20.7	Males	23.0	Males	25.6
with future improvements	Females	22.9	Females	25.3	Females	27.7
Real wage increase	1.9%		1.2%		0.4%	
Real rate of return	5.5%		4.0%		2.5%	

Mortality is the most sensitive demographic assumption as it impacts the length of the benefit payment period. If male and female life expectancies at age 65 were to increase by approximately 2.5 years more than expected by 2050, the minimum contribution rate in 2016 and thereafter would increase to 10.22 percent, well above the legislated rate of 9.9 percent. On the other hand, if male and female life expectancies at age 65 were to be about 2.5 years lower than expected, the minimum contribution rate would decrease significantly to 9.46 percent.

The most sensitive economic assumptions are the real wage increase and the real rate of return on investments. The growth in real wage directly impacts the amount of future CPP contributions. If an ultimate real wage increase of 1.9 percent is assumed for 2020 and thereafter, the minimum contribution rate would decrease to 9.26 percent. However, if an ultimate real wage increase of 0.4 percent is assumed for 2014 and thereafter, the minimum contribution rate would increase to 10.51 percent.

Real rates of return can fluctuate greatly from year to year and can have a significant impact on the size of assets and on the ratio of assets to the following year expenditures. If a real rate of return of 5.5 percent is assumed for 2019 and thereafter, the minimum contribution rate will decrease to 8.97 percent. However, if the real rate of return is assumed to be 2.5 percent for 2019 and thereafter, the minimum contribution rate increases to 10.73 percent.

The table below summarises the results of the sensitivity of the minimum contribution rate and the ratio of the assets to the next year expenditures under the legislated 9.9 percent contribution rate to the changes in mortality, real wage increase and real rate of return on investments assumptions:

Assumption	Scenario	Minimum Contribution Rate (1) (percent)	Ratio of Assets to Expenditure under 9.9 percent Contribution Rate		
			2025	2050	2087
	Best Estimate	9.84	5.35	6.02	5.70
Mortality Rates	Low Cost	9.46	5.54	7.45	11.64
	High Cost	10.22	5.15	4.67	0.50
Real Wage Increases	Low Cost	9.26	5.56	8.07	12.09
	High Cost	10.51	5.09	3.40	(2)
Real Rate of Return on Investments	Low Cost	8.97	6.31	11.23	30.49
	High Cost	10.73	4.54	2.98	(3)

(1) The minimum contribution rate in this table refers to the rate applicable for 2016 and thereafter.

(2) Assets depleted by 2069.

(3) Assets depleted by 2076.

Canada Pension Plan — *Continued*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Continued*

14. Actuarial obligation in respect of benefits

The *Twenty-sixth Actuarial Report* on the CPP measures the actuarial obligation under an open group approach, which is consistent with the partial funding nature of the CPP financing, and provides information under a closed group approach, in a footnote. With the current legislated combined contribution rate of 9.9 percent, the table below presents the asset excess (shortfall) and the assets to actuarial obligation ratio under open and closed group approaches at valuation dates of the current and previous actuarial reports:

(in billions of dollars)

	As at December 31, 2012		As at December 31, 2009	
	Open Group	Closed Group	Open Group	Closed Group
Actuarial obligation	2,254.7	1,004.9	1,995.0	874.8
Assets available for benefit payments	2,245.8	175.1	1,988.1	126.8
Asset Shortfall (1)	(8.9)	(829.8)	(6.9)	(748.0)
Assets to actuarial obligation ratio	99.6%	17.4%	99.7%	14.5%

(1) The determination of the asset shortfall is based on the projections of the CPP's revenues and expenditures projected over the period of 150 years. There will be no asset shortfall, using the open group approach, if the projection period slightly shorter than 150 years is used.

The open group approach takes into consideration all current and future participants of the CPP, including their future contributions and associated benefits, to determine whether current assets and future contributions will be sufficient to pay for all future expenditures. The closed group includes only current participants of the CPP, with no new entrants permitted and no new benefits accrued. The choice of the methodology used to produce a social security system's balance sheet is mainly determined by the system's financing approach.

Under the partial funding financing approach of the CPP, in any given year, current contributors allow the use of their contributions to pay current beneficiaries' benefits. This financial arrangement creates claims for current and past contributors to contributions of future contributors. As such, the most appropriate assessment of the financial sustainability of partially funded plans by means of their balance sheets should reflect these claims.

The open group approach does account explicitly for these claims by considering the benefits and contributions of both the current and future plan participants. In comparison, the closed group approach does not reflect these claims, since only current participants are considered. To determine the CPP actuarial obligations under the open group approach, the projections of the CPP's revenues and expenditures were projected over the period of 150 years using the assumptions of the *Twenty-sixth Actuarial Report* shown in Note 13. The projection period longer than 75 years used to calculate the minimum contribution rate is necessary to ensure that the future expenditures for cohorts that will enter the labour force during that time are included in the liabilities. It is noted that if a projection period slightly shorter than 150 years is used, there will be no asset shortfall.

The CPP was never intended to be a fully-funded plan and the financial sustainability of the CPP is not assessed based on its actuarial obligation in respect of benefits. According to the *Twenty-sixth Actuarial Report*, the CPP is intended to be long-term and enduring in nature, a fact that is reinforced by the federal, provincial, and territorial governments' joint stewardship through the established strong governance and accountability framework of the CPP. Therefore, if the CPP's financial sustainability is to be measured based on its asset excess or shortfall, it should be done on an open group basis that reflects the partially funded nature of the CPP, that is, its reliance on both future contributions and invested assets as a means of financing its future expenditures. Using the open group approach, the Chief Actuary confirms that the CPP, on the basis of the assumptions selected, will continue to meet its financial obligations and is sustainable in the long term.

15. Contractual obligations

The CPP, through the CPPIB, has committed to enter into contractual obligations related to the funding of investments. These contractual obligations are generally payable on demand based on the funding needs of the investment subject to the terms and conditions of each agreement. As at March 31, 2015, the contractual obligations totalled $30.7 billion (2014 – $27.9 billion).

As at March 31, 2015, the CPP, through the CPPIB, has made lease and other contractual obligations, which will require future annual payments as follows:

	2015	2014
	(in millions of dollars)	
Within one year	36	27
After one year but not more than five years	114	107
More than five years	40	32
	190	166

16. Contingent liabilities

(a) Appeals relating to the payment of pensions and benefits

At March 31, 2015, there were 14,007 (2014 – 13,195) appeals relating to the payment of CPP disability benefits. These contingencies are reasonably estimated, using historical information, at an amount of $164.4 million (2014 – $175.3 million), which was recorded as an accrued liability in the CPP 2014-2015 consolidated financial statements.

(b) Other claims and legal proceedings

In the normal course of operations, the CPP is involved in various claims and legal proceedings.

Starting in 2004, 417 medical adjudicators (MAs) filed human rights complaints with the Canadian Human Rights Commission (CHRC) alleging gender discrimination. The complaint was upheld by the Canadian Human Rights Tribunal (CHRT) in 2007, which ordered that the discriminatory practice cease and directed the parties to attempt to negotiate a settlement of the appropriate measures to redress the practice. These negotiations were not successful and in May 2009, the CHRT ordered that a new nursing (NU) subgroup be created in the Health Services Group and that the MAs be placed in this group. It also ordered that damages be paid to two MAs for pain and suffering, but it did not order compensation for wage loss.

The complainants and the CHRC challenged the CHRT's decision on the issues of lost wages and pain and suffering. The application was allowed by the Federal Court, which set aside the CHRT's decision and referred the matters back to the CHRT for redetermination. An appeal by the Attorney General of Canada of the Federal Court decision was unsuccessful.

In October 2011 and on July 31, 2012 respectively, the CHRT endorsed the settlement entered into by the parties on the outstanding issues of damages for pain and suffering and for wage loss.

As of March 31, 2015, the terms of the settlement have been completed and the total expense for this settlement since 2011-2012 was revised to $138 million ($139 million in 2013-2014).

On June 27, 2014, a group of individuals filed a motion before the CHRT challenging one aspect of the Settlement Agreement endorsed by the CHRT in the above matter. The potential financial impact and the outcome of this claim are not determinable.

(c) Guarantees

As part of certain investment transactions, the CPP, through the CPPIB, agreed to guarantee, as at March 31, 2015, up to $1.9 billion (2014 – $1.5 billion) to other counterparties in the event certain investee entities default under the terms of loan and other related agreements.

(d) Indemnifications

The CPPIB provides indemnifications to its officers, directors, certain others and, in certain circumstances, to various counterparties and other entities. The CPPIB may be required to compensate these indemnified parties for costs incurred as a result of various contingencies such as changes in laws, regulations and litigation claims. The contingent nature of these indemnification agreements prevents the CPPIB from making a reasonable estimate of the maximum potential payments the CPPIB could be required to make. To date, the CPPIB has not received any claims nor made any payments pursuant to such indemnifications.

Canada Pension Plan — *Continued*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Continued*

17. Related party transactions

As stated in Note 4, the CPP has $5,114 million (2014 – $4,368 million) of contributions receivable from the Canada Revenue Agency.

The CPP enters into transactions with the Government of Canada in the normal course of business, which are recorded at the exchange value. The costs are based on estimated allocations of costs and are charged to the CPP in accordance with various memoranda of understanding.

Transactions for the year

	2015	2014
	(in millions of dollars)	
Employment and Social Development Canada		
Personnel related costs	238	211
Program policy and delivery, accomodation and corporate services	88	102
Canada Revenue Agency		
Collection of contributions and investigation services	173	169
Treasury Board Secretariat		
Health Insurance Plan	17	15
Public Works and Government Services Canada		
Cheque issue and computer services	9	9
Administrative Tribunals Support Service Canada		
Support services of the Social Security Tribunal	7	
Office of the Superintendent of Financial Institutions and Department of Finance		
Actuarial services	2	3
	534	509

18. Supplementary information

The administration of the CPP's assets and activities is shared between various Government of Canada (GoC) departments and the CPPIB. The CPPIB is responsible for investing the majority of the CPP's assets, while the GoC through various federal departments, manages the remainder of the assets, as well as the collection of the CPP contributions and the administration and payments of the CPP benefits. For accountability purposes, the following table presents summary information on the levels of assets and liabilities and sources of income and expenses managed by the GoC and the CPPIB respectively.

(in millions of dollars)

	2015			2014		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Financial assets	5,537	321,448	326,985	4,659	251,949	256,608
Non-financial assets		370	370		327	327
Liabilities	545	57,195	57,740	542	33,184	33,726
Assets available for benefit payments	4,992	264,623	269,615	4,117	219,092	223,209
Income						
Contributions	45,046		45,046	43,181		43,181
Investment income	3	41,441	41,444	3	30,710	30,713
	45,049	41,441	86,490	43,184	30,710	73,894
Expenses						
Pensions and benefits	38,747		38,747	37,324		37,324
Operating expenses	534	803	1,337	509	576	1,085
	39,281	803	40,084	37,833	576	38,409
Net increase in assets available for benefit payments	5,768	40,638	46,406	5,351	30,134	35,485

Canada Pension Plan — *Concluded*

Notes to Consolidated Financial Statements for the year ended March 31, 2015 — *Concluded*

Pursuant to section 108.1 of the *Canada Pension Plan* and the Agreement dated as of April 1, 2004, amounts not required to meet specified obligations of the CPP are transferred weekly to the CPPIB. The funds originate from employer and employee contributions to the CPP and interest income generated from the deposit with the Receiver General.

In September 2004, the CPPIB assumed responsibility for providing cash management services to the CPP, including periodic return, on at least a monthly basis, of funds required to meet CPP pensions, benefits and operating expenses obligations.

During the year ended March 31, 2015, a total of $36 billion was transferred to the CPPIB and a total of $31 billion was returned to the CPP to meet its liquidity requirements.

Activities during the year

	2015	2014
	(in millions of dollars)	
Canada Pension Plan Investment Board		
Accumulated transfers to CPPIB, beginning of year	341,662	307,330
Transfers of funds to CPPIB	36,023	34,332
Accumulated transfers to CPPIB, end of year	377,685	341,662
Accumulated transfers from CPPIB, beginning of year	(218,237)	(189,599)
Transfers of funds from CPPIB	(31,130)	(28,638)
Accumulated transfers from CPPIB, end of year	(249,367)	(218,237)
Net accumulated transfers to CPPIB	128,318	123,425

19. Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation.

Government Annuities Account

Management's Responsibility for Financial Statements

The financial statements of the Government Annuities Account are prepared in accordance with Canadian accounting standards for pension plans by the management of Employment and Social Development Canada. Management is responsible for the integrity and objectivity of the information in the financial statements, including the amounts which must, of necessity, be based on best estimates and judgment. The significant accounting policies are identified in Note 2 to the financial statements.

To fulfill its accounting and reporting responsibilities, management has developed and maintains books of account, financial and management controls, information systems and management practices. These systems are designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Government Annuities Improvement Act* and the *Government Annuities Act* and regulations.

The Auditor General of Canada, the external auditor of the Government Annuities Account, conducts an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards and provides a report to the Minister of Employment and Social Development.

Ian Shugart
Deputy Minister
Employment and Social Development Canada

Alain P. Séguin, MBA, CPA, CGA
Chief Financial Officer
Employment and Social Development Canada

Gatineau, Canada
September 1, 2015

Government Annuities Account — *Continued*

Report of the Actuary

The Office of the Chief Actuary, Office of the Superintendent of Financial Institutions Canada, has the mandate of performing the annual actuarial valuation of the Government Annuities Account (the "Account") as at 31 March 2015. The purpose of this valuation is to determine the actuarial liabilities and financial position of the Account as at 31 March 2015. The results of the valuation are included in the *Public Accounts of Canada* as well as in the Account's financial statements.

As at 31 March 2015, the actuarial liabilities presented in the *Public Accounts of Canada* and used to determine the amount charged to the Account and credited to the Consolidated Revenue Fund, are based on prescribed mortality rates. In addition, the actuarial liabilities presented in the statement of financial position, statement of changes in net assets available for benefits, and statement of changes in pension obligations of the Account's financial statements, are based on best estimate experience-adjusted mortality rates.

The valuation of the Account's actuarial liabilities and financial position is therefore based on:

- membership data as at 31 March 2015 provided by Employment and Social Development Canada (ESDC) and Service Canada;
- asset data provided by ESDC;
- a seven percent annual interest rate as prescribed by the *Government Annuities Regulations*;
- for purposes of the *Public Accounts of Canada*, mortality rates as prescribed by the *Government Annuities Regulations*, that is, the Annuity Table for 1983, for individual and group annuities, as modified by Projection Scale G published by the Society of Actuaries; and
- for purposes of the Account's financial statements, best estimate experience-adjusted mortality rates.

The Account's assets are notional and in the form of a deposit with the Receiver General for Canada. Therefore, actuarial liabilities equal the present value of future payments discounted at the prescribed interest rate. Since administrative expenses are paid by the government out of general funds, no provision for expenses is made in the valuation. This valuation contains no added margins for adverse deviation.

In our opinion, considering that the valuation is prepared pursuant to the *Government Annuities Act* and the *Government Annuities Improvement Act*:

- the data on which our valuation is based are sufficient and reliable for the purpose of the valuation;
- the assumptions used for purposes of the *Public Accounts of Canada* comply with legislative requirements and, in this context are, in aggregate, reasonable and appropriate;
- the assumptions used for purposes of the Account's financial statements, are, in aggregate, reasonable and appropriate;
- the methodology employed is appropriate and consistent with sound actuarial principles; and
- the actuarial valuation is appropriate, it conforms to statutory requirements and the financial statements fairly present its results.

Our valuation has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada. As at 1 September 2015, there are no subsequent events of which we are aware that would have an impact on the valuation. The next valuation will be performed as at 31 March 2016.

Michel Millette
Senior Actuary
Fellow of the Canadian Institute of Actuaries
Office of the Chief Actuary

Myriam Demers
Actuarial Officer
Associate of the Society of Actuaries
Office of the Chief Actuary

Christine Dunnigan
Senior Actuarial Officer
Fellow of the Canadian Institute of Actuaries
Office of the Chief Actuary

Office of the Superintendent of Financial Institutions Canada
Ottawa, Canada
1 September 2015

Government Annuities Account — *Continued*

Independent Auditor's Report

To the Minister of Employment and Social Development

Report on the Financial Statements

I have audited the accompanying financial statements of the Government Annuities Account, which comprise the statement of financial position as at 31 March 2015, and the statement of changes in net assets available for benefits and statement of changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Government Annuities Account as at 31 March 2015, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Report on Other Legal and Regulatory Requirements

In my opinion, the transactions of the Government Annuities Account that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Government Annuities Improvement Act*, and the *Government Annuities Act* and regulations.

Heather McManaman, CPA, CA
Principal
for the Auditor General of Canada

1 September 2015
Halifax, Canada

Statement of Financial Position
as at March 31
(in thousands of Canadian dollars)

	2015	2014
Net assets available for benefits		
Accounts receivable	120	111
Pension obligations		
Actuarial present value of accrued benefits (Note 3)	141,435	166,138
Deficit to be financed by the Government of Canada (Note 4)	**141,315**	**166,027**

The accompanying notes are an integral part of these financial statements.

Approved by:

Ian Shugart
Deputy Minister
Employment and Social Development Canada

Alain P. Séguin, MBA, CPA, CGA
Chief Financial Officer
Employment and Social Development Canada

Statement of Changes in Net Assets Available for Benefits
for the year ended March 31
(in thousands of Canadian dollars)

	2015	2014
Paid by the Government of Canada		
Premiums (Note 4)	(28)	(34)
Annuity payments (Note 4)	25,872	28,477
Premium refunds and other (Note 4)	89	71
	25,933	28,514
Amount paid through the Consolidated Revenue Fund	(25,933)	(28,514)
Administrative expenses		
Services received without charge (Note 2*(c)*)	1,940	2,112
Services contributed by Employment and Social Development Canada (Note 2*(c)*)	(1,940)	(2,112)
Change in accounts receivable and increase (decrease) in net assets	**9**	**(2)**
Net assets available for benefits at beginning of year	111	113
Net assets available for benefits at end of year	120	111

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Pension Obligations
for the year ended March 31
(in thousands of Canadian dollars)

	2015	2014
Actuarial present value of accrued benefits at beginning of year	**(166,138)**	**(183,108)**
Interest and other income	(10,956)	(12,315)
Benefits paid	25,952	28,550
Experience gains (Note 3)	9,707	735
Actuarial present value of accrued benefits at end of year	**(141,435)**	**(166,138)**

The accompanying notes are an integral part of these financial statements.

Government Annuities Account — *Continued*

Notes to the Financial Statements for the year ended March 31, 2015

1. Authority, objective and responsibilities

The Government Annuities Account (the Account) was established in 1908 by the *Government Annuities Act*, as modified by the *Government Annuities Improvement Act*.

The purpose of the *Government Annuities Act* was to assist individuals and groups of Canadians to prepare financially for their retirement by purchasing Government Annuities. In 1975, the *Government Annuities Improvement Act* discontinued future sales of Government Annuity contracts. Annuities are deferred until their maturity date, at which time payments to annuitants begin.

The Account is administered by Employment and Social Development Canada (ESDC) and operates through the Consolidated Revenue Fund.

2. Significant accounting policies

(a) Basis of presentation

The financial statements of the Account are prepared in accordance with Canadian accounting standards for pension plans (Section 4600) on a going concern basis. They are prepared in Canadian dollars, the Account's functional currency. This section requires pension plans of publicly accountable enterprises to comply on a consistent basis with International Financial Reporting Standards (IFRS) to the extent that those standards do not conflict with the requirements of Section 4600, which take precedence.

The financial statements for the year ended March 31, 2015 were authorized for issue by the signatories on September 1, 2015.

(b) Actuarial present value of accrued benefits

The method utilized to calculate the actuarial present value of accrued benefits comprises, in respect of deferred and matured annuities, the present value of such annuities actuarially determined on the basis of prescribed interest rates and best estimate experience-adjusted mortality tables.

(c) Service received without charge

Administrative services received without charge from ESDC are recorded in the statement of changes in net assets available for benefits at their estimated cost. A corresponding amount is credited directly to the statement of changes in net assets available for benefits.

(d) Measurement uncertainty

The preparation of these financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amount of assets, actuarial present value of accrued benefits, and income at the date of the financial statements. Actual results may differ significantly from the estimates and assumptions; therefore it is possible that the amounts for the actuarial present value of accrued benefits and related accounts could change materially in the near term. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. Actuarial present value of accrued benefits

The Office of the Chief Actuary, Office of the Superintendent of Financial Institutions Canada, performs the annual actuarial valuation of the Government Annuities Account as at March 31. In prior years, the amount of the accrued benefit obligation presented in the Account's financial statements was estimated using the interest and mortality rates prescribed by regulations. As per the *Government Annuities Improvement Act* and *Government Annuities Regulations*, expected future payments are to be discounted using an annual interest rate of seven percent. Future payments are to be estimated using the mortality rates from the 1983 mortality tables published by the Society of Actuaries, for individual and group annuities respectively, modified by Projection Scale G.

During the fiscal year, following a mortality experience study performed by the Office of the Chief Actuary, the actuary determined that the actuarial present value of accrued benefits as at 31 March 2015, estimated using experience-adjusted mortality rates, would be $141.4 million. This amount is $8.2 million lower than what would be the actuarial present value of accrued benefits estimated using the mortality rates prescribed by regulations.

Government Annuities Account — *Continued*

Notes to the Financial Statements for the year ended March 31, 2015 — *Continued*

As per Canadian accounting standards for pension plans, the financial statements of the Account need to present management's best estimate of the actuarial present value of accrued benefits. Management determined that the amount of $141.4 million represents its best estimate of the pension obligations. As a result, the mortality assumption used in the calculation of the actuarial present value of the accrued benefits was changed to reflect the experience-adjusted mortality rates.

The impact of using the experience-adjusted mortality rates instead of the prescribed mortality rates in the statement of financial position and the statement of changes in pension obligations is as follows:

Statement of Financial Position
as at March 31, 2015

(in thousands of Canadian dollars)

	Experience-adjusted mortality tables	Prescribed mortality tables	Difference
Net assets available for benefits			
Accounts receivable	120	120	
Pension obligations			
Actuarial present value of accrued benefits	141,435	149,598	(8,163)
Deficit to be financed by the Government of Canada	**141,315**	**149,478**	**(8,163)**

Statement of Changes in Pension Obligations
for the year ended March 31, 2015

(in thousands of Canadian dollars)

	Experience adjusted mortality tables	Prescribed mortality tables	Difference
Actuarial present value of accrued benefits at beginning of year	**(166,138)**	**(166,138)**	
Interests and other income	(10,956)	(10,956)	
Benefit paid	25,952	25,952	
Experience gains	9,707	1,544	(8,163)
Actuarial present value of accrued benefits at end of year	**(141,435)**	**(149,598)**	**(8,163)**

The amount of the pension obligation presented in the Account's financial statements differs from the balance of the Government Annuities Account as presented in Table 6.1 of Volume I of the *Public Accounts of Canada 2015*, which is calculated based upon mortality tables prescribed by the *Government Annuities Improvement Act* and *Government Annuities Regulations*.

(in thousands of Canadian dollars)

	2015	2014
Actuarial present value of accrued benefits is comprised of:		
Deferred annuities	7,019	7,759
Mature annuities	134,416	158,379
	141,435	166,138

The average age of annuitants was estimated to be 83.7 years and the remaining life of the Account was estimated at 43 years as at March 31, 2015.

The next actuarial valuation will be performed as at March 31, 2016.

Government Annuities Account — *Concluded*

Notes to the Financial Statements for the year ended March 31, 2015 — *Concluded*

4. Deficit to be financed by the Government of Canada

The *Government Annuities Act* provided authority for the Government of Canada to sell annuities to the Canadian Public. The Government of Canada has entered into individual annuity contracts with a promise to pay the annuities and is required under the Act to keep an account, the Government Annuities Account, in the Consolidated Revenue Fund to record all transactions related to these annuities. These transactions include all moneys received and paid, the assets and liabilities relating to the granting of an annuity, unclaimed and reclaimed annuities and the liability representing the present value of prospective annuities contracted. It also includes the accrual of interest earned.

(in thousands of Canadian dollars)

	2015	2014
Liability of the Government of Canada at beginning of year	**166,027**	**182,995**
Accrued interest	10,651	11,747
Premiums	28	34
Reclaimed annuities	310	594
Annuity Payments	(25,872)	(28,477)
Premium refunds and other	(89)	(71)
Unclaimed annuities	(33)	(60)
Actuarial surplus	(1,544)	(735)
Change in mortality assumption	(8,163)	
	(24,712)	(16,968)
Liability of the Government of Canada at end of year	**141,315**	**166,027**

Accrued interest

Interest is recorded on an accrual basis and is calculated on the actuarial present value of accrued benefits as prescribed by the *Government Annuities Improvement Act* and the *Government Annuities Regulations*.

Premiums and other recoverable amounts

Premiums are deposited in the Consolidated Revenue Fund. This deposit earns interest at a rate of seven percent in accordance with the *Government Annuities Improvement Act* and the *Government Annuities Regulations*. Due to the short-term nature, the carrying value of the deposit with the Receiver General for Canada approximates its fair value.

Reclaimed annuities

Reclaimed annuities represent previously unclaimed amounts of annuitants that could not be located. If the annuitants are subsequently located, the actuarial present value of these annuities is paid.

Unclaimed annuities

Unclaimed annuities represent amounts of annuities that could not be paid because the annuitants could not be located.

Actuarial surplus/deficit

At the end of any fiscal year, the amount of the actuarial present value of accrued benefits may be different than the amount of actuarial liabilities determined by the actuary.

5. Related Party Transactions

The Account is related to Government departments, agencies and Crown corporations through common control held by the Government of Canada. There were no further significant transactions with related parties other than those described in Note 2*(c)*, Services received without charge.

Royal Canadian Mounted Police (Dependants) Pension Fund

Management Responsibility for Financial Statements

Responsibility for the integrity and fairness of the financial statements of the Royal Canadian Mounted Police (Dependants) Pension Fund rests with the management of the RCMP.

The financial statements of the Royal Canadian Mounted Police (Dependants) Pension Fund have been prepared in accordance with Canadian accounting standards for pension plans. The financial statements include management's best estimates and judgments where appropriate.

To fulfill its accounting and reporting responsibilities, management has developed and maintained books, records, internal controls and management practices designed to provide reasonable assurance as to the reliability of the financial information and to ensure that transactions are in accordance with the *Royal Canadian Mounted Police Pension Continuation Act* and regulations as well as the *Financial Administration Act* and regulations.

These financial statements have been audited by the Auditor General of Canada, the independent auditor for the Government of Canada.

Approved by:

Bob Paulson
Commissioner

Alain Duplantie, MBA, CPA, CGA
Deputy Commissioner
Chief Financial and Administrative Officer

July 17, 2015

Royal Canadian Mounted Police (Dependants) Pension Fund — *Continued*

Independent Auditor's Report

To the Minister of Public Safety and Emergency Preparedness

Report on the Financial Statements

I have audited the accompanying financial statements of the Royal Canadian Mounted Police (Dependants) Pension Fund, which comprise the statement of financial position as at 31 March 2015, and the statement of changes in net assets available for benefits and statement of changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Royal Canadian Mounted Police (Dependants) Pension Fund as at 31 March 2015, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Report on Other Legal and Regulatory Requirements

In my opinion, the transactions of the Royal Canadian Mounted Police (Dependants) Pension Fund that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the applicable provisions of the *Financial Administration Act* and regulations, and the *Royal Canadian Mounted Police Pension Continuation Act* and regulations.

Margaret Haire, CPA, CA
Principal
for the Auditor General of Canada

17 July 2015
Ottawa, Canada

Statement of Financial Position
as at March 31
(in Canadian dollars)

	2015	2014
Liabilities		
Pension benefits payable (Note 3)	395,179	262,912
Net assets available for benefits	**(395,179)**	**(262,912)**
Pension obligations (Note 4)	**17,710,637**	**19,326,360**
Deficit to be financed by the Government of Canada (Note 5)	**(18,105,816)**	**(19,589,272)**

The accompanying notes are an integral part of these financial statements.

Approved by:

Bob Paulson
Commissioner

Alain Duplantie, MBA, CPA, CGA
Deputy Commissioner
Chief Financial and Administrative Officer

July 17, 2015

Statement of Changes in Net Assets Available for Benefits
Year ended March 31
(in Canadian dollars)

	2015	2014
Net assets available for benefits, beginning of year	**(262,912)**	**(322,571)**
(Increase) Decrease in pension benefits payable	(132,267)	59,659
Net assets available for benefits, end of year	**(395,179)**	**(262,912)**

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Pension Obligations
Year ended March 31
(in Canadian dollars)

	2015	2014
Pension obligations, beginning of year	**19,326,360**	**20,443,534**
Net interest accrued on benefits	925,313	1,100,421
Changes in actuarial assumptions (Note 6)		1,413,000
Benefit increases		557,785
Past service contributions from participants	3,487	3,697
Valuation data updates		(128,490)
Experience gains	(145,307)	(200,909)
Changes in provision for adverse mortality deviation (Note 7)		(1,114,000)
Survivor benefit payments	(2,399,216)	(2,748,678)
Pension obligations, end of year	**17,710,637**	**19,326,360**

The accompanying notes are an integral part of these financial statements.

Royal Canadian Mounted Police (Dependants) Pension Fund — *Continued*

Notes to the Financial Statements for the year ended March 31, 2015

1. Description of the Fund

The following is a summary description of the Royal Canadian Mounted Police (Dependants) Pension Fund.

(a) General

The Royal Canadian Mounted Police (Dependants) Pension Fund (the Fund) was established in 1934 pursuant to the *Royal Canadian Mounted Police Act* and is currently operated under Part IV of the *Royal Canadian Mounted Police Pension Continuation Act* (the *Act*) (effective 1959) and the related Regulations.

The *Act* provides for members of the Force, other than commissioned officers, appointed before March 1, 1949, the right to purchase certain survivorship benefits for their dependants by payment of specified contributions.

The RCMP is responsible for the management of the Fund. Responsibility for the day-to-day administration of the Fund was outsourced to Morneau Shepell in 2003. Effective July 2, 2014, the day-to-day administration of the Fund was transferred to Public Works and Government Services Canada (PWGSC). The Office of the Chief Actuary (OCA) of the Office of the Superintendent of Financial Institutions (OSFI) performs periodic actuarial valuations of the Fund.

All monetary transactions of the Fund are made through a specified purpose account in the Consolidated Revenue Fund (CRF).

The Fund is accounted for using the standards applicable to a defined benefit pension plan as described in Note 2*(a)*.

(b) Funding policy

All eligible members have now retired and, as such, there are no more active members contributing to the Fund; however, retired members may continue to make instalment payments in respect of previous elections made before their retirement.

The *Act* directs the Minister of Finance to have an actuarial valuation for funding purposes prepared at least every five years. If the actuarial valuation discloses a surplus, the Governor in Council may, by order, increase the benefit payments. If there is an actuarial deficiency, the Governor in Council may direct that there be amounts transferred to the Fund, out of any unappropriated moneys in the CRF, as may be required to re-establish the solvency of the Fund.

(c) Survivor benefit payments

The following benefits, as applicable, are payable on the death of a member who has made the scheduled contributions and has left them in the Fund.

i. Widow's pension benefit

The widow is entitled to the pension purchased by the member. In many cases the pension benefit equals approximately 1.5 percent of the member's final pension benefit payment multiplied by his years of credited service.

The pension benefit is payable for life with a guarantee that the total payments shall be no less than the member's contributions.

ii. Lump sum benefits

If a member is not survived by a widow, a lump sum payment is made to the dependants and relatives of the member who are, in the opinion of the Minister, best entitled to share the benefit.

iii. Benefit limitations

Under certain circumstances, the basic death benefits payable to a surviving widow are reduced. This can occur when a member marries after age 60; in that case, the value of the pension to the widow cannot exceed the lump sum payable if he were not survived by a widow.

(d) Dividends on survivor benefit payments

The *Act* provides that if the Fund is substantially in excess of the amount required to make adequate provision for the prospective payments, the Governor in Council may, by order, increase the benefits provided under Part IV of the *Act* in such manner as may appear equitable and expedient. The authority of the Governor in Council is delegated to the Treasury Board under section 7(2) of the *Financial Administration Act*.

To date, most of these benefit increases have taken the form of proportionate dividends applied to all basic death benefits, both accrued and prospective.

(e) Withdrawal of contributions

A retired member who did not elect to withdraw his contributions from the Fund upon retirement retains the right to do so at any time thereafter; however, all his rights under Part IV of the *Act* and those of his dependants shall cease upon such election. All returns of contributions are made without interest.

2. Significant accounting policies

(a) Basis of presentation

The financial statements present the aggregate financial position of the Fund as a separate financial reporting entity independent of the sponsor and Fund members, on an ongoing basis. They are prepared to assist Fund members and others in reviewing the activities of the Fund for the fiscal period but they do not portray the funding requirements of the Fund.

These financial statements are prepared in Canadian dollars, the Fund's functional currency, in accordance with Canadian accounting standards for pension plans in Part IV of the Chartered Professional Accountants (CPA) Canada Handbook, Section 4600. Section 4600 provides specific accounting guidance on investments and pension obligations. For accounting policies that do not relate to either investments or pension obligations, the Fund complies with International Financial Reporting Standards (IFRS) in Part I of the CPA Canada Handbook. To the extent that IFRS in Part I is inconsistent with Section 4600, Section 4600 takes precedence.

The financial statements for the year ended March 31, 2015 were authorized for issue by the signatories on July 17, 2015.

(b) Significant accounting policies

The significant accounting policies are as follows:

i. Survivor benefit payments

Benefits are recognized on an accrual basis as a reduction of Pension Obligations and Net Assets Available for Benefits upon the death of a member who has made the scheduled contributions and has left them in the Fund or upon the death of a widow.

ii. Pension obligations

The present value of pension obligations is calculated using the projected benefit method prorated on pensionable service, based on management's best estimate assumptions.

iii. Services provided without charge and related party transactions

The Fund does not record the value of administrative services it receives without charge from various government departments and agencies as they are insignificant in the context of the financial statements taken as a whole. These services include the following:

- Financial management and other support services from the Royal Canadian Mounted Police;
- Actuarial valuation and other services from the Office of the Chief Actuary;
- Office of the Auditor General of Canada audit costs.

Royal Canadian Mounted Police (Dependants) Pension Fund — *Continued*

Notes to the Financial Statements for the year ended March 31, 2015 — *Continued*

(c) Sources of estimation uncertainty

In preparing these financial statements, management uses estimates and assumptions that primarily affect the reported amounts of liabilities and related disclosures.

In making estimates and using assumptions, management relies on external information and observable conditions where possible. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ significantly from the estimates and assumptions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Pension Obligations are the most significant item where estimates and assumptions are used. The Pension Obligations depend on a number of factors that are determined on an actuarial basis using a number of estimates and assumptions, such as discount rates (future Fund yields), mortality rates, proportion of members married, and age of new widows. The Fund consults with external actuaries from the OCA regarding these estimates and assumptions annually. Any changes will impact the carrying amount of the Pension Obligations. Details of these estimates and assumptions have been disclosed in Note 4.

3. Pension benefits payable

Pension Benefits Payable represent the lump sum benefits that became payable upon the death of members or widows during the year but had not yet been approved by the Minister for payment. At March 31, 2015, the Pension Benefits Payable were $395,179 (2014 – $262,912).

4. Pension obligations

The present value of Pension Obligations is calculated actuarially by the OCA using the projected benefit method prorated on pensionable service and management's best estimate assumptions. Actuarial valuations for funding purposes are to be performed not more than five years apart. The most recent actuarial valuation for funding purposes was conducted as at March 31, 2013 and tabled in Parliament on January 22, 2014. The next actuarial valuation for funding purposes is scheduled to occur as at March 31, 2016.

The most recent actuarial valuation for funding purposes disclosed an actuarial surplus of $1,343,000. On March 28, 2014, an Order in Council approved that a portion of this surplus be distributed by annual effective increases in the pension amount of 1.2 percent as at April 1, 2014, 1.2 percent as at April 1, 2015 and 1.2 percent as at April 1, 2016 and by increases to lump sum death benefits and residual payments.

The remaining balance of the actuarial surplus is intended to be used over the remaining life of the Fund for the payment of increases in the pension benefits. At March 31, 2015, the average age of members was estimated to be 90.4 years and the average age of widows was estimated to be 88.2 years. The remaining life of the Fund was estimated at 31 years based on the statutory actuarial valuation as at March 31, 2013.

An actuarial valuation for accounting purposes is conducted annually by the OCA using the projected benefit method prorated on pensionable service and management's best estimate economic and non-economic assumptions.

The non-economic assumptions include considerations such as mortality rates, proportion of members married, and age of new widows. Mortality rates are based on mortality improvement assumptions made for the *Actuarial Report on the Canada Pension Plan* as at the date of the actuarial valuation for funding purposes. The primary economic assumptions relate to Fund yields. The yields are based on the rate applicable to a portfolio of notional 20 year Government of Canada bonds as at the date of the actuarial valuation for funding purposes. The assumptions used in the actuarial valuation for funding purposes are evaluated for continued relevancy and the valuation for accounting purposes is adjusted by the actuary for transactions occurring during the period, including experience gains due to changes in the Fund's member and widow population. The information in these financial statements is based on this annual valuation conducted as at March 31, 2015. At that date, the present value of Pension Obligations was $17,710,637 (2014 – $19,326,360)

The expected Fund yield for the year-ended March 31, 2015 is 5.1 percent per annum. The expected long-term Fund yield is estimated to decline to 4.1 percent per annum by the year 2024 and to rise to an ultimate level of 5.0 percent. Variations in any of these assumptions can result in a significantly higher, or lower, estimate of the liability.

During the year, no amendments were made to the Fund (2014 – nil).

5. Deficit to be Financed by the Government of Canada

All transactions of the Fund are made through a specified purpose account in the Consolidated Revenue Fund (CRF) and are reported in the *Public Accounts of Canada*. This includes receiving contributions, recording interest earned on the Fund and paying survivor benefits.

The government has a statutory obligation to pay benefits relating to the Fund. This pension obligation is to the survivors of the participants who contributed to the Fund over the years. However, if the Fund is substantially in excess of the amount required to make adequate provision for the prospective payments, the Governor in Council may increase benefits in order to disburse the surplus to the survivors. As a result, the government has an obligation to the beneficiaries for the balance of the Fund as reported in the specified purpose account. The following table illustrates these obligations as at March 31:

(in Canadian dollars)

	2015	2014
Opening balance, specified purpose account	**20,758,261**	**22,676,882**
Receipts and other credits	1,011,463	1,152,624
Payments and other charges	(2,399,214)	(3,071,245)
Closing balance, specified purpose account	**19,370,510**	**20,758,261**
Deficit to be financed by the Government of Canada	(18,105,816)	(19,589,272)
Excess owed to beneficiaries	**1,264,694**	**1,168,989**

6. Changes in actuarial assumptions

Changes in actuarial assumptions include changes to widow mortality, long term Fund yield and member mortality assumptions. There were no changes in actuarial assumptions as at March 31, 2015 (2014 – $1,413,000).

7. Changes in provision for adverse mortality deviation

The provision for adverse mortality deviation was an additional actuarial liability that was added during the actuarial valuation for funding purposes as at March 31, 2010 to absorb the financial impact of random adverse mortality deviations. This provision was removed in the March 31, 2013 actuarial valuation for funding purposes due to the average age of members and widows being close to 90. The result was a decrease in Pension Obligations of $1,114,000 as at March 31, 2014. At March 31, 2015, there were no changes to the provision for adverse mortality deviation.

Section 7

2014-2015

Public Accounts of Canada

Cash and Accounts Receivable

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Cash and Accounts Receivable

This section contains information on accounts reported on the Consolidated Statement of Financial Position under "Cash and Accounts Receivable".

Table 7.1 presents the year-end balances of cash and accounts receivable by category.

Table 7.1
Cash and Accounts Receivable

	March 31, 2015	March 31, 2014
	$	$
Cash and cash equivalents, Table 7.2	34,998,841,592	31,429,002,558
Taxes receivable, Table 7.3	98,499,181,484	92,489,235,274
Other accounts receivable, Table 7.5	3,198,298,866	4,655,975,361
Total cash and accounts receivable	136,696,321,942	128,574,213,193

Cash and Cash Equivalents

Cash consists of public moneys on deposit and cash in transit at March 31. Cash in bank consists of public moneys on deposit to the credit of the Receiver General for Canada, with the Bank of Canada, chartered banks and other financial institutions. Cash with the Bank of Canada includes operational balances and balances held for the Prudential Liquidity Fund. Cash in transit consists of public moneys received by public officers prior to April 1, but not deposited by that date as well as cash held by consolidated Crown corporations and other entities. Outstanding cheques and warrants are deducted to arrive at the closing cash balance.

Cash equivalents consist mainly of term deposits resulting from auctions administered by the Bank of Canada and the Department of Finance on behalf of the Minister of Finance. The short term deposits, denominated in Canadian dollars, are made from a portion of the daily surplus of cash balance and have a short term maturity, usually not exceeding 31 calendar days.

Table 7.2 presents a summary of the cash and cash equivalents.

Table 7.2
Cash and Cash Equivalents

	March 31, 2015	March 31, 2014
	$	$
Cash in bank		
Canadian currency [1]	21,463,464,272	22,048,776,596
Foreign currencies [2]	283,189,353	14,128,813
Special deposits [3]	50,000,000	50,000,000
Total cash in bank	21,796,653,625	22,112,905,409
Cash in transit		
Cash in hands of collectors and in transit	10,437,353,804	10,130,655,855
Other cash — Consolidated Crown corporations and other entities [4]	782,854,000	569,357,000
Total cash in transit	11,220,207,804	10,700,012,855
Less: Outstanding cheques and warrants		
Outstanding cheques [5]	4,171,960,594	5,343,849,151
Imprest account cheques [6]	95,243	110,652
Total outstanding cheques and warrants	4,172,055,837	5,343,959,803
Total cash	28,844,805,592	27,468,958,461
Cash equivalents	6,154,036,000	3,960,044,097
Total cash and cash equivalents	34,998,841,592	31,429,002,558

[1] Included in Canadian currency is $20 billion ($20 billion in 2014) with respect to the Prudential Liquidity Fund.

[2] These balances denominated in US dollars include cash and cash equivalents which have been translated into Canadian dollars at March 31.

[3] These are balances in the hands of financial institutions for the reimbursement of GST refund payments issued by the Ministère du Revenu du Québec on behalf of the Government.

[4] These funds are not public moneys to the credit of the Receiver General for Canada but are for the exclusive use of consolidated Crown corporations and other entities.

[5] Receiver General cheques issued in Canadian dollars, and outstanding are recorded in this account. Cheques outstanding for 10 years are transferred to other revenues. During the year, an amount of $39,985,026 ($40,335,371 in 2014) was transferred to other revenues. Cheques in foreign currencies are credited to the Government's cash account at the time of issue.

[6] Imprest account cheques issued and unpaid at March 31, with the exception of those outstanding for 10 years or more (which have been transferred to other revenues), are recorded in this account.

Taxes Receivable

Taxes receivable include amounts assessed by Canada Revenue Agency and the Canada Border Services Agency but not yet collected, as well as estimates of unassessed taxes at year end. Amounts receivable also include related amounts for interest and penalties.

Taxes receivable include taxes, premiums and contributions collectable on behalf of others such as provincial and territorial governments and the Canada Pension Plan. These amounts have also been included in liabilities.

The Government establishes an allowance for doubtful accounts to reduce the carrying value of the taxes receivable to amounts that approximate their net realizable value.

Table 7.3 presents taxes receivable by tax stream. Amounts receivable that are written off or forgiven are included in Section 2 of Volume III (Debts, obligations and claims written off or forgiven).

Table 7.3

Taxes Receivable as at March 31

	2015			2014		
	Gross taxes receivable	Allowance for doubtful accounts	Net taxes receivable	Gross taxes receivable	Allowance for doubtful accounts	Net taxes receivable
	$	$	$	$	$	$
Taxes receivable						
Income taxes receivable —						
Individuals	55,149,638,082	6,659,992,220	48,489,645,862	52,161,537,912	6,621,151,526	45,540,386,386
Employers	17,651,611,765	1,051,752,589	16,599,859,176	16,126,457,910	944,912,920	15,181,544,990
Corporations	16,964,503,258	2,282,669,652	14,681,833,606	15,409,462,337	2,151,715,071	13,257,747,266
Non-residents	1,462,071,331	137,763,880	1,324,307,451	1,442,341,650	138,537,871	1,303,803,779
Goods and services taxes receivable	18,248,319,758	2,784,966,988	15,463,352,770	17,751,977,587	2,778,577,883	14,973,399,704
Customs duties receivable	265,599,027	24,002,848	241,596,179	246,051,141	15,533,111	230,518,030
Excise taxes and duties receivable	1,895,340,042	196,753,602	1,698,586,440	2,041,195,050	39,359,931	2,001,835,119
Total	111,637,083,263	13,137,901,779	98,499,181,484	105,179,023,587	12,689,788,313	92,489,235,274

Table 7.4 presents the aging for taxes receivable for the period over which claims at March 31 have been outstanding. Receivables based on estimates of unassessed taxes at year end are included in current receivables.

Table 7.4

Aging of Taxes Receivable

	Year ended March 31	
	2015	2014
	$	$
Taxes receivable		
Less than one year	71,629,514,792	68,085,532,437
1-2	7,110,899,188	7,156,690,840
2-3	5,642,563,058	4,888,330,498
3-4	4,529,275,948	4,152,897,018
4-5	3,870,348,255	4,063,866,877
Over 5 years	18,854,482,022	16,831,705,917
Total	111,637,083,263	105,179,023,587

Other Accounts Receivable

Other accounts receivable represent billed (but uncollected) and unbilled or accrued financial claims arising from amounts owed to the Government for use of its assets, or from the proceeds for provision of services as of March 31, 2015.

Amounts receivable written off or forgiven are included in Section 2 of Volume III (Debts, obligations and claims written off or forgiven).

Table 7.5 presents a summary of the balances for other receivables.

Table 7.5
Other Accounts Receivable as at March 31

	2015			2014		
	Gross receivables	Allowance for doubtful accounts	Net receivables	Gross receivables	Allowance for doubtful accounts	Net receivables
	$	$	$	$	$	$
Other receivables [1]	4,777,571,810	2,219,790,944	2,557,780,866	4,849,070,487	1,864,837,126	2,984,233,361
Accounts receivable of consolidated Crown corporations and other entities	640,518,000		640,518,000	1,671,742,000		1,671,742,000
Total	5,418,089,810	2,219,790,944	3,198,298,866	6,520,812,487	1,864,837,126	4,655,975,361

[1] Other receivables are the financial claims owed to the Government and arising from other revenues.

Table 7.6 presents the aging of other accounts receivable for the period over which claims at March 31 have been outstanding.

Table 7.6
Aging of Other Accounts Receivable

	Year ended March 31	
	2015	2014
	$	$
Outstanding days		
0-30	1,459,142,044	1,928,981,621
31-60	180,169,914	155,159,259
61-90	161,232,978	185,524,406
91-365	495,045,788	450,141,860
Over 365	2,481,981,086	2,129,263,341
Total	4,777,571,810	4,849,070,487
Accounts receivable of consolidated Crown corporations and other entities	640,518,000	1,671,742,000
Total	5,418,089,810	6,520,812,487

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Section 8

2014-2015

Public Accounts of Canada

Foreign Exchange Accounts

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Foreign Exchange Accounts

Foreign exchange accounts represent financial claims and obligations of the Government as a result of Canada's foreign exchange operations. Financial claims and obligations denominated in foreign currencies are reported at Canadian dollar equivalents at March 31. Investment income from the foreign exchange accounts and net gains and losses resulting from the translation of the net assets denominated in foreign currencies, to Canadian dollar equivalents as at March 31, are recorded in foreign exchange net revenues on the Consolidated Statement of Operations and Accumulated Deficit.

Table 8.1 presents the continuity of each foreign exchange account, by showing the opening and closing balances, as well as payments and other charges and receipts and other credits. It should be noted, however, that this table excludes unmatured debt payable in foreign currencies, amounting to $20,267 million as at March 31, 2015 ($16,030 million as at March 31, 2014); details relating to these obligations are presented in Section 6 of this volume. A narrative description is provided for accounts reported in some tables. Such descriptions follow the same presentation order as their respective tables.

Table 8.1

Foreign Exchange Accounts

	April 1, 2014	Payments and other charges	Receipts and other credits	March 31, 2015
	$	$	$	$
International reserves held in the Exchange Fund Account, Table 8.2	77,365,078,160	34,153,961,890	19,558,262,746	91,960,777,304
International Monetary Fund — Subscriptions	10,882,988,348	245,660,044		11,128,648,392
International Monetary Fund — Loans	1,665,220,926	609,022,035	920,776,052	1,353,466,909
	89,913,287,434	*35,008,643,969*	*20,479,038,798*	*104,442,892,605*
Less:				
International Monetary Fund — Notes payable	7,419,018,280	898,484,732	2,441,306,252	8,961,839,800
Special drawing rights allocations	10,231,773,099		230,960,262	10,462,733,361
	17,650,791,379	*898,484,732*	*2,672,266,514*	*19,424,573,161*
Total	72,262,496,055	35,907,128,701	23,151,305,312	85,018,319,444

International Reserves held in the Exchange Fund Account

This account records the moneys advanced from the Government to the Exchange Fund Account, in Canadian and other currencies, for the purchase of gold, foreign currencies and securities, and special drawing rights (SDRs).

The Exchange Fund Account is operated under the provisions of the *Currency Act*. The financial statements at March 31, 2015 are found at the end of this section.

Table 8.2 shows international reserves held in and advances to the Exchange Fund Account as at March 31, 2015. Gold held by the Account is valued at SDR 35 per fine ounce ($61.15 Cdn as at March 31, 2015 and $59.80 Cdn as at March 31, 2014).

In 2014-2015, payments and other charges consisted of advances to the Exchange Fund Account in the amount of $27,917 million, an adjustment of $840 million to recognize the net income of the Exchange Fund Account for the period April 1, 2014 to March 31, 2015, and a net valuation adjustment of $5,397 million. Receipts and other credits consisted of repayments of advances of $19,558 million.

Table 8.2

International Reserves held in the Exchange Fund Account

(in millions of dollars)

	March 31, 2015	March 31, 2014
US dollar cash and cash equivalents	441	391
US dollar marketable securities	60,558	46,636
Euro cash and cash equivalents	189	51
Euro marketable securities	17,685	19,903
British pound sterling cash and cash equivalents	48	2
British pound sterling marketable securities	2,405	199
Japanese yen cash and cash equivalents	17	10
Japanese yen marketable securities	794	316
Short-term deposits		223
Special drawing rights	9,818	9,628
Gold	6	6
Total	91,961	77,365
Advances by the Consolidated Revenue Fund were denominated as follows:		
US dollar	63,301	50,846
Euro	16,822	18,725
British pound sterling	2,440	201
Japanese yen	797	317
Special drawing rights (2015, SDR 4,599 million; 2014, SDR 4,599 million)	8,035	7,858
Canadian dollar	(274)	(2,087)
Total advances from the Consolidated Revenue Fund	91,121	75,860
Total net revenue for the year	840	1,505
Total	91,961	77,365

International Monetary Fund

Subscriptions

This account records the value of Canada's subscription (its "quota") to the capital of the International Monetary Fund (IMF).

The amount by which the sum of Canada's subscriptions plus loans to the IMF under special facilities exceeds the IMF's holdings of Canadian dollars represents the amount of foreign exchange which Canada is entitled to draw from the IMF on demand for balance of payments purposes. The subscription is expressed in terms of SDR, a unit of account defined in terms of a "basket" of four major currencies, the Euro, US dollar, British pound sterling and Japanese yen.

Canada has accumulated its subscriptions through settlements to the IMF in Canadian dollars, gold and SDRs. Annual maintenance of value payments are made to, or received from, the IMF when the Canadian dollar depreciates or appreciates against the SDR, in order to maintain the SDR-value of the IMF's holdings of Canadian dollars.

In 2014-2015, payments and other charges consisted of a valuation adjustment of $246 million.

Loans

This account records the value of interest-bearing loans made under Canada's multi-lateral and bi-lateral borrowing arrangements with the IMF. The purpose of these arrangements is to provide temporary resources for IMF-member countries requiring balance of payment assistance.

There are two outstanding lending arrangements with the IMF outside of the quota system: the multi-lateral New Arrangements to Borrow (NAB) and General Arrangements to Borrow (GAB).

Canada's participation in the expanded NAB became effective on March 11, 2011. The maximum lending by Canada to the IMF under these arrangements is limited to SDR 7,624 million. As at March 31, 2015, SDR 775 million or $1,353 million (SDR 975 million or $1,665 million in 2014) in lending have been provided to the IMF under the NAB.

Canada also participates in the GAB which was most recently renewed in December 2013. The maximum lending by Canada to the IMF under these arrangements is limited to SDR 893 million. As at March 31, 2015, no lending had been provided to the IMF under the GAB.

Collectively, the outstanding loans under multi-lateral arrangements with the IMF cannot exceed SDR 8,517 million at any given time. This reflects the maximum commitment under both the NAB and GAB.

At March 31, 2015, a total of SDR 775 million or $1,353 million was outstanding under these arrangements. Amounts advanced under these arrangements are considered part of the Official International Reserves of Canada.

Notes Payable

This account records non-marketable, non-interest bearing notes issued by the Government to the IMF. These notes are payable on demand and are subject to redemption or re-issue, depending on the needs of the IMF for Canadian currency.

Canadian dollar holdings of the IMF include these notes and a small working balance (initially equal to one-quarter of one percent of Canada's subscription) held on deposit at the Bank of Canada. In 2014-2015, notes payable to the IMF increased by $1,543 million.

Special Drawing Rights Allocations

This account records the value of SDRs allocated to Canada by the IMF. The SDR is an international currency created by the IMF, and allocated to countries participating in its Special Drawing Rights Department. It represents a liability of Canada, as circumstances could arise whereby Canada could be called upon to repay these allocations, in part or in total.

As an asset, SDRs represent rights to purchase currencies of other countries participating in the IMF's Special Drawing Rights Department, as well as to make payments to the IMF itself. All SDRs allocated to Canada by the IMF have either been used to settle subscriptions in the IMF, or have been advanced to the Exchange Fund Account.

There was no allocation of SDRs by the IMF to Canada during the year. In 2014-2015, receipts and other credits consisted of a valuation adjustment of $231 million.

Supplementary Statement

Exchange Fund Account

Statement of Financial Position *(unaudited)*
as at 31 March

(in millions of Canadian dollars)

	2015	2014
Financial assets		
Cash and cash equivalents (Note 2, Note 3)	695	677
Investments (Note 2)		
Marketable securities (Note 3)	81,442	67,054
Special drawing rights (Note 3)	9,818	9,628
Gold (Note 3)	6	6
Total investments	91,266	76,688
Total financial assets	91,961	77,365
Liabilities		
Due to the Consolidated Revenue Fund (Note 4)	91,961	77,365

The accompanying notes are an integral part of these financial statements.

Paul Rochon
Deputy Minister
Department of Finance

Randy Larkin, CPA, CMA
Chief Financial Officer
Department of Finance

Statement of Operations *(unaudited)*
for the year ended 31 March

(in millions of Canadian dollars)

	2015	2014
Net revenue from investments		
Marketable securities		
Interest	1,152	1,130
Gains on sales of marketable securities	238	294
Transaction costs and other	(4)	(1)
Interest on cash and cash equivalents		1
Interest on special drawing rights	6	8
Gains on sales of gold		12
Total net revenue from investments	1,392	1,444
Other		
Net foreign exchange gain (loss)	(552)	61
Net revenue for the year (Note 2)	**840**	**1,505**

The accompanying notes are an integral part of these financial statements.

Exchange Fund Account — *Continued*

Notes to the Financial Statements for the year ended 31 March 2015 *(unaudited)*

1. Authority and Objectives

The Exchange Fund Account (the Account) is governed by Part II of the *Currency Act*. The Account is in the name of the Minister of Finance and is administered by the Bank of Canada as fiscal agent. The *Financial Administration Act* does not apply to the Account.

The legislative mandate of the Account is to aid in the control and protection of the external value of the Canadian dollar. The Minister of Finance empowers the Account to acquire or sell assets deemed appropriate for this purpose, in accordance with the Account's *Statement of Investment Policy*.

Assets held in the Account are managed to provide foreign-currency liquidity to the government and to promote orderly conditions for the Canadian dollar in foreign exchange markets, if required. Canada's current policy is to intervene in foreign exchange markets on a discretionary, rather than a systematic, basis and only in the most exceptional of circumstances. Since September 1998, no transactions have been aimed at moderating movements in the value of Canadian dollar.

In accordance with the *Currency Act*, the net revenue for the year is paid to or charged to the Consolidated Revenue Fund (CRF) of the Government of Canada within three months after the end of the fiscal year, and the Minister of Finance reports to Parliament on the operations of the Account within the first 60 days on which Parliament is sitting after the end of the fiscal year. These statements have been prepared by the Department of Finance.

2. Significant accounting policies

As stipulated in the *Currency Act*, the financial statements of the Account are prepared in a manner consistent with the accounting policies used by the Government of Canada to prepare its financial statements.

(a) Revenue recognition

Revenue from investments is recognized on an accrual basis and includes interest earned, the amortization of premiums and discounts using the straight-line method, gains or losses on sales of securities and on sales of gold, and revenues from securities lending activities. Interest is accrued on short-term deposits, deposits held under repurchase agreements, marketable securities, and special drawing rights (SDRs).

(b) Expense recognition

The Account's administrative, custodial, and fiscal agency services are provided and paid for by the Bank of Canada and the Department of Finance. These costs have not been recognized in the Statements.

In addition, the notional cost of the funding of the Account's assets and advances from the CRF are not recognized in the Statements.

(c) Financial assets

Cash and cash equivalents

Cash and cash equivalents consists of cash and short-term deposits. Short-term deposits are measured at cost and are generally held to maturity. The resulting revenue is included in interest on cash and cash equivalents.

Deposits held under repurchase agreements

Deposits held under repurchase agreements are measured at cost. The resulting revenue is included in income from marketable securities. At the reporting date, and in the prior year, the Account did not hold deposits held under repurchase agreements.

Marketable securities

Purchases and sales of securities are recognized at the settlement dates. Marketable securities are measured at cost and are adjusted for amortization of purchase discounts and premiums on a straight-line basis over the term to maturity of the security. The carrying value of marketable securities includes accrued interest.

On de-recognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in net revenue.

Short-term deposits, deposits held under repurchase agreements and marketable securities are written down to their recoverable amount in the event of an other-than-temporary impairment in value. Write-downs to reflect other-than-temporary impairment are recognized in Total net revenue from investments in the Statement of Operations.

Exchange Fund Account — *Continued*

Notes to the Financial Statements for the year ended 31 March 2015 *(unaudited) — Continued*

Securities lending program

Under the securities lending program, the Account has agency agreements with two major financial institutions. Loans of securities are effected on behalf of the Account by these agents, who guarantee the loans and obtain collateral of equal or greater value from approved counterparties. These transactions can range from 1 to 31 days in duration. The securities loaned continue to be accounted for as investment assets. Income on securities lending transactions is included in Total net revenue from investments on the Statement of Operations.

Special drawing rights

The SDR serves as the unit of account for the International Monetary Fund (IMF) and its value is based on a "basket" of four major currencies: the euro, the US dollar, the British pound sterling and the Japanese yen.

SDRs are initially recognized at cost and are subsequently remeasured at each reporting date into Canadian dollars at market exchange rates.

Gold

Gold is carried in the Account at a value of 35 SDRs per fine ounce.

Translation of foreign currencies and special drawing rights

Assets denominated in foreign currencies and SDRs are translated into Canadian-dollar equivalents at the rates prevailing as of the date of the Statements, which were as follows:

	2015	2014
US dollars	1.2666	1.1055
Euros	1.3615	1.5230
Japanese yen	0.0106	0.0107
British pound sterling	1.8792	1.8430
SDRs	1.7473	1.7087

Gains or losses resulting from the translation of assets and advances from the CRF denominated in foreign currencies and SDRs, as well as from transactions throughout the fiscal year, are recognized as net foreign exchange gains or losses and are included in the Statement of Operations.

Investment revenue in foreign currencies and SDRs is translated into Canadian-dollars at the foreign exchange rates prevailing on the date the revenue is earned.

(d) Use of estimates and measurement uncertainty

The preparation of the Statements requires management to make estimates and assumptions based on information available as of the date of the Statements. Significant estimates are primarily in the area of the fair values of financial instruments, including any impairment (Note 3).

Exchange Fund Account — *Continued*

Notes to the Financial Statements for the year ended 31 March 2015 *(unaudited) — Continued*

3. Financial Instruments

Fair value of financial assets
(in millions of Canadian dollars)

	31 March 2015		31 March 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents				
US dollars	441	441	391	391
Euros	189	189	51	51
Japanese yen	17	17	10	10
British pound sterling	48	48	2	2
Short-term deposits			223	223
Total cash and cash equivalents	695	695	677	677
Investments				
Marketable securities				
US dollars	60,558	61,895	46,636	47,423
Euros	17,685	19,088	19,903	21,037
Japanese yen	794	797	316	318
British pound sterling	2,405	2,461	199	198
Total marketable securities	81,442	84,241	67,054	68,976
SDRs	9,818	9,818	9,628	9,628
Gold	6	144	6	137
Total investments	91,266	94,203	76,688	78,741
Total financial assets	91,961	94,898	77,365	79,418

The estimated fair value of cash and cash equivalents approximates their carrying value, given their short term to maturity.

The estimated fair values of marketable securities are based on quoted market prices and include accrued interest. If such prices are not available, the fair value is determined by discounting future cash flows using an appropriate yield curve. During the year, and in the prior year, no marketable securities were written down to reflect other-than-temporary impairment in value.

Since SDRs are translated into Canadian-dollar equivalents at the rates prevailing at the Statement date, the carrying value approximates fair value on the reporting date.

The estimated fair value of gold is based on the London gold fixing of $1,503.45 at 31 March 2015 ($1,428.03 at 31 March 2014) per fine ounce.

Exchange Fund Account — *Continued*

Notes to the Financial Statements for the year ended 31 March 2015 *(unaudited) — Continued*

Credit risk

Credit risk is the risk that a counterparty to a financial contract will cause a loss to the Account by failing to discharge its obligations in accordance with agreed upon terms.

To ensure that the Account's asset portfolio is prudently diversified with respect to credit risk, the *Statement of Investment Policy* prescribed by the Minister of Finance specifies limits on holdings by class of issuer (sovereign, agency, supranational, corporation or commercial financial institution), by any one issuer or counterparty, and by type of instruments.

The *Statement of Investment Policy* also specifies the treatment of holdings that do not meet eligibility criteria or limits due to exceptional circumstances such as ratings downgrades.

With respect to the *Statement of Investment Policy*, the Account may hold fixed income securities of highly rated sovereigns, central banks, government-supported entities and supranational organizations. To be eligible for investment, an entity must have a credit rating in the top seven categories from two of four designated rating agencies (Standard & Poor's, Moody's, Fitch, and Dominion Bond Rating Service). The Account may also make deposits and execute other transactions, up to prescribed limits, with commercial financial institutions that meet the same rating criteria.

As stipulated in the *Currency Act*, the Minister may appoint agents to perform services concerning the Account. Through the securities-lending program, agents can lend securities only up to a prescribed maximum amount and only to a list of approved counterparties. Each borrower must enter into a Securities Loan Agreement with at least one of the agents. Borrowers are also required to provide collateral for securities borrowed, according to a specific list approved by the Government. Collateral is limited to specific security types, terms to maturity, and credit ratings.

The agents also provide an indemnity in the event of default by the borrower. The Account enters into securities lending transactions in order to increase its return on investments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. The Account is not exposed to significant other price risk.

Interest rate and currency risks are managed, with due consideration of the risk to the Government of Canada, through the asset-liability management policy. This policy utilizes a strategy of matching the duration structure and the currency of the Account's assets with the foreign currency borrowings of the Government of Canada that notionally finance the Account's assets. Other price risks are mitigated by holding high quality liquid assets.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk is minimized by limiting the portion of the Government of Canada's foreign liabilities that needs to be renewed within a one year period. In addition, liquidity risk is mitigated by holding short-term investments that are matched to the Government of Canada's maturing liabilities in foreign currencies.

Securities lending

As at 31 March 2015, the Account's investments included securities held by its agents in connection with the securities lending program. Investments with a fair market value of $387 million ($316 million at 31 March 2014) and an amortized cost of $380 million ($332 million at 31 March 2014) were being used in the securities lending program. A higher fair value compared to amortized cost is attributable to regular market fluctuations.

No securities were lent to eligible borrowers at the reporting date (nil at 31 March 2014).

Exchange Fund Account — *Concluded*

Notes to the Financial Statements for the year ended 31 March 2015 *(unaudited) — Concluded*

4. Due to the Consolidated Revenue Fund (CRF)

The Account is funded by the Government of Canada through interest-free advances from the CRF. Advances to the Account from the CRF are authorized by the Minister under the terms and conditions prescribed by the Minister of Finance. Pursuant to Section 19 of the *Currency Act*, these advances are limited to US $150 billion by order of the Minister of Finance effective March 26, 2015.

The CRF advances the proceeds of the Government of Canada's borrowings in foreign currencies and allocations of SDRs by IMF to the Account. Subsequent repayments of foreign currency debt are made using the assets of the Account and result in reductions of foreign currency advances from the CRF. Interest payable by the Government of Canada on borrowings in foreign currencies and charges on allocations of SDRs to Canada are charged directly to the CRF.

The Account requires Canadian-dollar advances to settle its purchases of foreign currencies. Canadian dollars received from sales of foreign currencies are remitted to the CRF. This, together with foreign currency payments made on behalf of the Government of Canada causes reductions in the level of outstanding Canadian-dollar advances, and can result in overall net deposits of Canadian-dollars by the Account with the CRF.

At 31 March, advances from the CRF were comprised of the following currencies:

Currency composition of advances from the CRF

(in millions of Canadian dollars)

	2015	2014
US dollars	63,301	50,846
Euros	16,822	18,725
Japanese yen	2,440	317
British pound sterling	797	201
SDRs	8,035	7,858
Subtotal — Foreign currencies	91,395	77,947
Canadian dollars	(274)	(2,087)
Net revenue	840	1,505
Total	**91,961**	**77,365**

Section 9

2014-2015

Public Accounts of Canada

Loans, Investments and Advances

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Loans, Investments and Advances

Loans, investments and advances is a category of financial claims represented by debt instruments and ownership interests held by the Government of Canada acquired through the use of parliamentary appropriations, except for the portion of the investment balances representing adjustments for the equity of enterprise Crown corporations and other government business enterprises. Some of these appropriations permit repayments to be used for further loans and advances. Details of the use of non-budgetary appropriations, for loans, investments and advances, can be found in the ministerial sections of Volume II.

The investment in enterprise Crown corporations and other government business enterprises is accounted for under the modified equity method and is carried at cost which is adjusted for the annual profits or losses of the enterprises and reduced by any dividends paid by the corporations to the Government. Under the modified equity method, the accounting policies of the enterprise Crown corporations and other government business enterprises are not adjusted to conform to the Government's accounting policies. The Government also reports any amounts receivable from or payable to these corporations and where the Government has advanced funds to the corporations to support their direct lending activities, the amounts are recorded as loans and advances by the Government.

Other loans, investments and advances are initially recorded at cost and are subject to annual valuation to reflect reductions from the recorded value to the approximate net realizable value. Foreign currency transactions are translated and recorded in Canadian dollar equivalents at the exchange rates prevailing at the transaction dates. Balances of loans, investments and advances resulting from foreign currency transactions are reported at year-end closing rates of exchange; net gains and losses related to these sovereign loans are presented with the return on investments from these loans under other program revenues.

The allowance established to reflect reductions from the recorded value to the approximate net realizable value of financial claims held by the Government has been authorized by the Minister of Finance and the President of the Treasury Board, under subsection 63(2) of the *Financial Administration Act*.

Revenues received during the year on loans, investments and advances, are credited to other revenues; details are provided in Section 3 of this volume and in Section 10 of Volume III.

Table 9.1 presents the transactions and year-end balances of loans, investments and advances by category.

Some tables in this section present the continuity of accounts, by showing the opening and closing balances, as well as payments and other charges and receipts and other credits. A narrative description is provided for accounts reported in some tables. Such descriptions follow the same presentation order as their respective tables.

Table 9.1
Loans, Investments and Advances

	April 1, 2014	Payments and other charges	Receipts and other credits	March 31, 2015
	$	$	$	$
Enterprise Crown corporations and other government business enterprises, Table 9.2	94,814,258,480	86,300,716,191	91,740,157,757	89,374,816,914
Portfolio investments, Table 9.11	88,226,601	11,526,915	21,549,165	78,204,351
National governments including developing countries, Table 9.12	381,671,343	661,317,378	55,051,255	987,937,466
International organizations, Table 9.13	19,150,525,892	1,057,367,766	18,893,362	20,189,000,296
Provincial and territorial governments, Table 9.14	1,876,728,088	5,891,750	770,479,926	1,112,139,912
Other loans, investments and advances, Table 9.15	26,494,760,892	6,387,844,895	4,636,795,085	28,245,810,702
	142,806,171,296	94,424,664,895	97,242,926,550	139,987,909,641
Less: allowance for valuation	25,171,632,695	1,372,429,529	237,370,976	26,306,691,248
Total	117,634,538,601	93,052,235,366	97,005,555,574	113,681,218,393

Enterprise Crown Corporations and Other Government Business Enterprises

Loans and advances to, and investments in, enterprise Crown corporations and other government business enterprises represent the balance of financial claims held by the Government against corporations and enterprises for working capital, capital expenditures and other purposes, investments in the capital stock of corporations, and loans and advances to corporations and enterprises for re-lending.

A Crown corporation means a parent Crown corporation or a wholly-owned subsidiary; a parent Crown corporation is wholly-owned directly by the Crown; a wholly-owned subsidiary is wholly-owned by one or more parent Crown corporations directly or indirectly through any number of subsidiaries.

Enterprise Crown corporations are a type of government business enterprise and are defined as those Crown corporations which are not dependent on parliamentary appropriations and whose principal activity and source of revenue is the sale of goods and services to outside parties. These include selected Crown corporations listed in Part I, all the Crown corporations listed in Part II of Schedule III of the *Financial Administration Act* and the Bank of Canada. Although a Crown corporation, the Canada Pension Plan Investment Board is not part of the Government reporting entity since its mandate is to manage an investment portfolio on behalf of the Canada Pension Plan which is itself excluded from the reporting entity.

There are also a number of self-sustaining government business enterprises that are not considered Crown corporations within the meaning of the *Financial Administration Act*, but which are controlled by the Government and in most cases accountable to Parliament through a Minister of the Crown for the conduct of their affairs. These are referred to as "other government business enterprises" and include The Canadian Wheat Board and the various Port Authorities.

Most of the enterprise Crown corporations and other government business enterprises are agents of Her Majesty for the conduct of all or part of their activities. This status is granted in one of the following ways:

i. designation by Parliament, through a special act of incorporation;

ii. statutory authorization; or

iii. proclamation by the *Government Corporations Operation Act*.

Further information on the business and activities of all parent Crown corporations and information on all Crown corporations and other corporate interests of Canada is provided in the quarterly report entitled *Inventory of Government of Canada Organizations*. Although no longer included as part of this Report, a compilation of the audited financial statements of the parent Crown corporations is also available upon request.

Table 9.2 presents a summary of the balances and transactions for the various types of loans, investments and advances which were made to enterprise Crown corporations and other government business enterprises.

Table 9.2
Enterprise Crown Corporations and Other Government Business Enterprises

	April 1, 2014	Payments and other charges	Receipts and other credits	March 31, 2015
	$	$	$	$
Investments —				
Investments and accumulated profits/losses (Table 9.5)	41,316,982,950	6,005,289,000	3,514,026,000	43,808,245,950
Loans and advances [(1)] —				
Canada Mortgage and Housing Corporation —				
Housing	2,422,582,596		142,501,881	2,280,080,715
Joint projects	545,685,607		33,833,147	511,852,460
Real estate	10,111,212		298,337	9,812,875
Sewage treatment projects	39,679,081		8,568,396	31,110,685
Student housing projects	98,680,085		15,903,441	82,776,644
	3,116,738,581		*201,105,202*	*2,915,633,379*
Finance —				
Business Development Bank of Canada	14,319,798,993	25,669,600,000	24,313,699,000	15,675,699,993
Canada Lands Company Limited	148,509,852	221,184,000	37,173,000	332,520,852
Canada Mortgage and Housing Corporation	18,056,279,065	3,415,276,000	13,679,484,132	7,792,070,933
Farm Credit Canada	22,028,928,000	50,598,443,000	49,935,941,000	22,691,430,000
	54,553,515,910	*79,904,503,000*	*87,966,297,132*	*46,491,721,778*
Total — Loans and advances	57,670,254,491	79,904,503,000	88,167,402,334	49,407,355,157
Less:				
Loans expected to be repaid from future appropriations	4,145,484,155	353,589,644		3,791,894,511
Unamortized discounts and premiums	27,494,806	37,334,547	58,729,423	48,889,682
	4,172,978,961	390,924,191	58,729,423	3,840,784,193
Total	94,814,258,480	86,300,716,191	91,740,157,757	89,374,816,914

(1) These loans are recorded at cost.

The results and financial position of enterprise Crown corporations and other government business enterprises are detailed in Tables 9.3 to 9.5. These tables also show the breakdown of the equity of each corporation between accumulated profits and losses, contributed surplus and capital stock, as well as the details of the Government's investment under the modified equity accounting method.

The Government of Canada has also made loans and advances to various enterprise Crown corporations and other government business enterprises. The following describes loans which were outstanding as of March 31, 2015 or 2014.

Canada Mortgage and Housing Corporation

The Corporation was incorporated, on January 1, 1946, by the *Canada Mortgage and Housing Corporation Act*. The Corporation's mandate, as stated in the *National Housing Act*, is to promote the construction, repair and modernization of housing, the improvement of housing and living conditions, housing affordability and choice, the availability of low-cost financing for housing, and the national well-being of the housing sector. Advances have been made to the Canada Mortgage and Housing Corporation to support various programs undertaken by the Corporation.

Housing

Advances made for moderate to low income housing bear interest at rates from 5.25 percent to 16.10 percent per annum, and are repayable over 1 to 50 years, with the final instalment due on March 31, 2037.

Joint projects

Advances made to undertake housing projects jointly with the provinces bear interest at rates from 5 percent to 17.96 percent per annum, and are repayable over 1 to 50 years, with the final instalment due on June 30, 2038.

Real estate

Advances made for the acquisition and development of real estate bear interest at rates from 10.07 percent to 15 percent per annum, and are repayable over 50 years, with the final instalment due on June 30, 2036.

Sewage treatment projects

Advances made to assist in the establishment or expansion of sewage treatment projects and the construction of trunk storm sewers bear interest at rates from 5 percent to 9.63 percent per annum, and are repayable over 20 to 50 years, with the final instalment due on March 31, 2023.

Student housing projects

Advances made for student housing projects bear interest at rates from 5 percent to 10.05 percent per annum, and are repayable over 20 to 50 years, with the final instalment due on April 1, 2030.

Business Development Bank of Canada

Direct lending to Crown corporations

The Business Development Bank of Canada (BDC) was established in 1974 by the *Federal Business Development Bank of Canada Act* and was continued under its current name by an Act of Parliament on July 13, 1995. The Corporation is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*, is wholly-owned by the Government of Canada and is not subject to the requirements of the *Income Tax Act*.

The role of the Corporation is to promote and assist in the establishment and development of business enterprises in Canada, with specific attention to small and medium-sized businesses. The Corporation provides a wide range of lending, investment and consulting services complementary to those of commercial financial institutions. The Corporation offers Canadian companies services tailored to meet the current needs of small and medium-sized businesses while earning an appropriate return on investment capital, which is used to further the Corporation's activities.

Pursuant to Section 19 of the *Business Development Bank of Canada Act*, the federal government, at the request of the Corporation, may lend money to the Corporation on any terms and conditions that the Minister of Finance may fix.

All the loans outstanding at year end bear interest at rates from 0.45 percent to 1.60 percent per annum.

Canada Lands Company Limited

Canada Lands Company Limited (originally Public Works Lands Company Limited) was incorporated under the *Companies Act* in 1956 and was continued under the *Canada Business Corporations Act*. The Corporation is a Crown corporation named in Part I of Schedule III of the *Financial Administration Act* and is wholly-owned by the Government of Canada. The Corporation conducts its business through Canada Lands Company CLC Limited (CLC), its principal wholly-owned subsidiary. CLC's objective is to carry out a commercially-oriented and orderly disposal program of certain Government real properties and the management of certain select properties. In undertaking this objective, CLC may manage, develop and dispose of real properties, either in the capacity of owner or as agent of the Government.

CLC has acquired an interest in a number of real properties from the Government in consideration for the issuance of promissory notes, which bear no interest and are repayable from the proceeds of the sale of the properties in respect of which they were issued. The notes were discounted using the Consolidated Revenue Fund lending rate applicable to Crown corporations and recorded at their discounted value.

During the year, new notes have been issued for an amount of $221.2 million. An amount of 37.2 million was repaid during the year and an amount of $4.1 million was amortized to income. The balance in the account represents the balance of the notes receivable net of the corresponding unamortized discount.

Canada Mortgage and Housing Corporation

Direct lending to Crown corporations

Pursuant to Section 21(1) of the *Canada Mortgage and Housing Corporation Act*, the federal government, at the request of the Corporation, may, out of the Consolidated Revenue Fund, lend money to the Corporation on any terms and conditions that the Minister of Finance may fix.

All the loans outstanding at year end bear interest at rates from 0.38 percent to 3.94 percent per annum.

Farm Credit Canada

Direct lending to Crown corporations

The Farm Credit Canada was established in 1959 by the *Farm Credit Act* as the successor to the Canadian Farm Loan Board, and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Corporation is wholly-owned by the Government of Canada and is not subject to the requirements of the *Income Tax Act*.

The Corporation's role is to enhance rural Canada by providing business and financial solutions for farm families and agribusiness. Additionally, the Corporation may deliver specific programs for the Government of Canada on a cost recovery basis.

Pursuant to Section 12(2) of the *Farm Credit Canada Act*, the federal government, at the request of the Corporation, may lend money to the Corporation on any terms and conditions that the Minister of Finance may fix.

All the loans outstanding at year end bear interest at rates from 0.45 percent to 3.84 percent per annum.

Interest paid to the Government

Interest paid to the Government of Canada with respect to these loans in the years ended March 31, 2015 and 2014 is as follows:

	2014-2015	2013-2014
	(in millions of dollars)	
Corporation		
Business Development Bank of Canada	127.4	128.8
Canada Mortgage and Housing Corporation	595.4	1,662.7
Farm Credit Canada	214.0	227.8
Total	936.8	2,019.3

Summary Financial Statements of Enterprise Crown Corporations and Other Government Business Enterprises

The following tables display details of the assets, liabilities, equity, revenues and expenses of enterprise Crown corporations and other government business enterprises.

Tables 9.3 to 9.5 present the assets, liabilities, equity, revenues, expenses and other changes in equity of enterprise Crown corporations and other government business enterprises grouped in five segments. The segment of competitive, self-sustaining corporations consists of those corporations named in Part I of Schedule III of the *Financial Administration Act* and of other competitive and self-sustaining government business enterprises.

For those corporations having year ends other than March 31, the data are based on unaudited interim financial statements which have been prepared on a basis consistent with the most recent audited financial statements.

The tables summarize the financial transactions and results of operations of each enterprise Crown corporation and other government business enterprise in accordance with its own respective accounting policies. Most enterprise Crown corporations and other government business enterprises follow International Financial Reporting Standards.

Financial assets include cash and cash equivalents, receivables, loans and investments. Financial assets are segregated between third parties and Government, Crown corporations and other entities. The financial assets reported under Government, Crown corporations and other entities represent receivables, loans and investments between related parties. Non-financial assets represent the unexpensed portion of capital assets, inventories and prepayments such as buildings, machinery and equipment in use or under construction, inventories and other items of expenditure which will be expensed as these assets are used. Liabilities include payables, borrowings and other obligations. Liabilities are segregated between third parties and Government, Crown corporations and other entities. Borrowings from third parties represent amounts repayable to financial institutions and other investors. Other third party liabilities are amounts due for purchases, pensions and other employee future benefits, accrued interest on borrowings, various other accruals, capital leases and sundry accounts payable. The liabilities reported under Government, Crown corporations and other entities represent payables and borrowings between related parties.

Revenues include financial assistance received or receivable from the Government in respect of the current year's operations, when applicable. Expenses are segregated between third parties and Government, Crown corporations and other entities. Equity adjustments and other include prior period adjustments and other miscellaneous items recorded by the corporations and enterprises. Other comprehensive income or loss comprises certain unrealized gains and losses on financial instruments and certain actuarial gains and losses related to pensions and other employee future benefits which are recognized in comprehensive income but excluded from net income. Other comprehensive income is excluded from the calculation of the Government's annual deficit. It is instead recorded directly to the Government's accumulated deficit. Upon realization of the gains and losses on financial instruments, the associated amounts are reclassified to the profit or loss of enterprise Crown corporations and other government business enterprises and then, reflected in the government's annual deficit. The actuarial gains and losses related to pensions and other employee future benefits are not reclassified. Equity transactions with the Government include dividends declared or transfers of profits to the Government, as well as equity contributions provided by the Government. Any unrealized inter-organizational gains and losses are eliminated as part of the modified equity accounting adjustment.

These tables present financial information on parent enterprise Crown corporations and other government business enterprises, as well as financial information on wholly-owned subsidiaries that are considered "deemed parent Crown corporations" and are excluded from the consolidated financial statements of their parent Crown corporations.

Enterprise Crown corporations and other government business enterprises are also categorized as being either agents or non-agents of the Crown. In some situations, agent status may be restricted to certain designated activities of a corporation.

A summary of financial assistance to enterprise Crown corporations and other government business enterprises for the year ended March 31, 2015 is provided in Table 9.10.

Table 9.3

Summary Combined Financial Statements of Enterprise Crown Corporations and Other Government Business Enterprises by Segment

(in thousands of dollars)

	Competitive, self-sustaining	Bank of Canada	Lending and insurance	Marketing	Other	Total
Assets, Liabilities and Equity as at March 31, 2015						
Assets						
Financial —						
Third parties	7,443,230	608,850	343,962,354	932,485	37,201	352,984,120
Government, Crown corporations and other entities	2,305,320	91,633,282	9,719,775	849	4,545	103,663,771
Total financial assets	9,748,550	92,242,132	353,682,129	933,334	41,746	456,647,891
Non-financial assets	7,255,511	398,306	1,096,190	389,968	40,616	9,180,591
Total assets as reported	17,004,061	92,640,438	354,778,319	1,323,302	82,362	465,828,482
Elimination adjustments	(348,948)	(14,273)	(198,645)		(83)	(561,949)
Total assets	16,655,113	92,626,165	354,579,674	1,323,302	82,279	465,266,533
Liabilities						
Third parties —						
Borrowings	1,502,066		251,932,274	924,756	6,229	254,365,325
Bank of Canada notes in circulation and amounts owing to depositors		68,600,639				68,600,639
Other liabilities	9,834,558	1,786,243	14,708,627	398,546	28,679	26,756,653
Government, Crown corporations and other entities	486,853	21,770,701	49,477,502		615	71,735,671
Total liabilities	11,823,477	92,157,583	316,118,403	1,323,302	35,523	421,458,288
Equity of Canada as reported	5,180,584	482,855	38,659,916		46,839	44,370,194
Elimination adjustments	(348,948)	(14,273)	(198,645)		(83)	(561,949)
Equity of Canada	4,831,636	468,582	38,461,271		46,756	43,808,245
Total liabilities and equity	16,655,113	92,626,165	354,579,674	1,323,302	82,279	465,266,533
Contingent liabilities	93,634	61,943	2,347,252			2,502,829
Contractual obligations	1,656,690	380,951	45,441,745	67,094	8,511	47,554,991
Revenues, Expenses and Other Changes in Equity for the Year Ended March 31, 2015						
Revenues						
Third parties	12,396,027	7,570	13,523,388	1,109,413	210,371	27,246,769
Government, Crown corporations and other entities	430,187	1,809,021	2,227,905		12	4,467,125
Total revenues	12,826,214	1,816,591	15,751,293	1,109,413	210,383	31,713,894
Expenses						
Third parties	10,870,428	464,485	8,286,061	1,085,570	209,040	20,915,584
Government, Crown corporations and other entities	337,344	200,295	1,863,336		1,224	2,402,199
Total expenses	11,207,772	664,780	10,149,397	1,085,570	210,264	23,317,783
Net income (loss) for the year	1,618,442	1,151,811	5,601,896	23,843	119	8,396,111
Equity of Canada, beginning of the year as reported	7,318,111	450,686	33,860,246		46,865	41,675,908
Equity adjustments and other	(141,515)		(10)	(23,843)		(165,368)
Elimination adjustments	(348,948)	(14,273)	(198,645)		(83)	(561,949)
Other comprehensive income (loss)	(1,523,218)	(20,112)	(621,461)		(145)	(2,164,936)
Equity transactions with the Government —						
Dividends	(1,060,620)	(1,099,530)	(180,755)			(2,340,905)
Capital	(1,030,616)					(1,030,616)
Equity of Canada, end of the year	4,831,636	468,582	38,461,271		46,756	43,808,245

Table 9.4

Financial Position of Enterprise Crown Corporations and Other Government Business Enterprises — Assets, Liabilities and Equity as at March 31, 2015

(in thousands of dollars)

	Assets			
	Financial			
Enterprise Crown corporations and other government business enterprises [1]	Third parties	Government, Crown corporations and other entities	Non-financial	Total assets
Competitive, self-sustaining				
Blue Water Bridge Authority [2]				
Canada Development Investment Corporation	3,718,055	140,538	175,987	4,034,580
Canada Lands Company Limited	308,815	54,778	514,967	878,560
Canada Post Corporation	2,592,210	2,083,404	3,013,309	7,688,923
Halifax Port Authority [3]	14,396	2,972	207,034	224,402
Hamilton Port Authority [3]	16,933		108,968	125,901
Montreal Port Authority [3]	78,348	2,011	265,459	345,818
Prince Rupert Port Authority [3]	33,448		156,123	189,571
Quebec Port Authority [3]	24,305	70	147,116	171,491
Ridley Terminals Inc.	113,116		289,353	402,469
Royal Canadian Mint	137,734	11,177	357,458	506,369
Saint John Port Authority [3]	22,955		71,317	94,272
Sept-Iles Port Authority [3]	49,000	6,092	301,265	356,357
Toronto Port Authority [3]	42,640		185,859	228,499
Vancouver Fraser Port Authority [3]	192,902	2,038	1,237,892	1,432,832
Other Canada Port Authorities [3][4]	98,373	2,240	223,404	324,017
Total — Competitive, self-sustaining	*7,443,230*	*2,305,320*	*7,255,511*	*17,004,061*
Bank of Canada	*608,850*	*91,633,282*	*398,306*	*92,640,438*
Lending and insurance				
Business Development Bank of Canada	21,050,852	50	78,115	21,129,017
Canada Deposit Insurance Corporation	426,387	2,621,859	11,831	3,060,077
Canada Mortgage and Housing Corporation	239,312,602	7,077,744	525,177	246,915,523
Export Development Canada	54,635,094	20,122	338,024	54,993,240
Farm Credit Canada	28,537,419		143,043	28,680,462
Total — Lending and insurance	*343,962,354*	*9,719,775*	*1,096,190*	*354,778,319*
Marketing				
Canadian Wheat Board, The [5]	923,257	849	352,715	1,276,821
Freshwater Fish Marketing Corporation	9,228		37,253	46,481
Total — Marketing	*932,485*	*849*	*389,968*	*1,323,302*
Other				
Atlantic Pilotage Authority	5,218		10,670	15,888
Great Lakes Pilotage Authority	2,499	9	744	3,252
Laurentian Pilotage Authority	17,256		16,630	33,886
Pacific Pilotage Authority	12,228	4,536	12,572	29,336
Total — Other	*37,201*	*4,545*	*40,616*	*82,362*
Total	352,984,120	103,663,771	9,180,591	465,828,482
Elimination adjustments		(249,552)	(312,397)	(561,949)
Total	352,984,120	103,414,219	8,868,194	465,266,533

[1] All enterprise Crown corporations listed at the margin in this table are parent Crown corporations.
Although a Crown corporation, Canada Pension Plan Investment Board is designed to operate at arm's length from the Government and manages, on behalf of the Canada Pension Plan, funds not belonging to the Government, therefore, it is considered external to the Government reporting entity. The Public Sector Pension Investment Board is not included in the above list since its activities are included in the Government's results through pension accounting.

[2] Blue Water Bridge Authority was amalgamated with the Federal Bridge Corporation Limited on February 1, 2015.

[3] Canada Port Authorities, which are not Crown corporations but considered other government business enterprises, are agents of the Crown for their port activities.

Liabilities								
Third parties								
Borrowings	Other	Government, Crown corporations and other entities	Total liabilities	Accumulated profits (losses)	Contributed surplus	Capital stock	Equity of Canada	Total liabilities and equity
	154,469		154,469	2,153,583	1,726,527	1	3,880,111	4,034,580
71,600	68,765	288,334	428,699	268,691	181,170		449,861	878,560
1,051,434	8,799,812	114,907	9,966,153	(3,432,401)	1,155,171		(2,277,230)	7,688,923
52,704	14,058	527	67,289	106,256	50,857		157,113	224,402
	7,064		7,064	100,471	18,366		118,837	125,901
	78,315	1,176	79,491	31,128	235,199		266,327	345,818
7,024	70,278		77,302	76,056	36,213		112,269	189,571
7,440	16,534	49,999	73,973	40,256	57,262		97,518	171,491
32,826	106,933		139,759	62,668	64,000	136,042	262,710	402,469
42,071	95,320	24,594	161,985	304,384		40,000	344,384	506,369
	6,140		6,140	26,473	61,659		88,132	94,272
79,065	203,078		282,143	62,507	11,707		74,214	356,357
24,503	93,455		117,958	110,541			110,541	228,499
103,332	98,311	1,586	203,229	1,079,344	150,259		1,229,603	1,432,832
30,067	22,026	5,730	57,823	123,124	143,070		266,194	324,017
1,502,066	*9,834,558*	*486,853*	*11,823,477*	*1,113,081*	*3,891,460*	*176,043*	*5,180,584*	*17,004,061*
	70,386,882	*21,770,701*	*92,157,583*	*452,855*	*25,000*	*5,000*	*482,855*	*92,640,438*
304,837	396,974	15,682,640	16,384,451	2,578,388	27,778	2,138,400	4,744,566	21,129,017
	1,258,522	927	1,259,449	1,800,628			1,800,628	3,060,077
208,973,354	8,186,653	11,021,950	228,181,957	18,708,556	25,010		18,733,566	246,915,523
41,984,775	4,473,829	8,006	46,466,610	7,193,430		1,333,200	8,526,630	54,993,240
669,308	392,649	22,763,979	23,825,936	4,306,801	547,725		4,854,526	28,680,462
251,932,274	*14,708,627*	*49,477,502*	*316,118,403*	*34,587,803*	*600,513*	*3,471,600*	*38,659,916*	*354,778,319*
901,630	375,191		1,276,821					1,276,821
23,126	23,355		46,481					46,481
924,756	*398,546*		*1,323,302*					*1,323,302*
4,529	4,681		9,210	6,678			6,678	15,888
	4,453	165	4,618	(1,366)			(1,366)	3,252
	9,956		9,956	23,930			23,930	33,886
1,700	9,589	450	11,739	17,597			17,597	29,336
6,229	*28,679*	*615*	*35,523*	*46,839*			*46,839*	*82,362*
254,365,325	95,357,292	71,735,671	421,458,288	36,200,578	4,516,973	3,652,643	44,370,194	465,828,482
				(561,949)			(561,949)	(561,949)
254,365,325	95,357,292	71,735,671	421,458,288	35,638,629	4,516,973	3,652,643	43,808,245	465,266,533

[4] Consists of the combined figures of the Canada Port Authorities of Belledune, Nanaimo, Oshawa, Port Alberni, Saguenay, St. John's, Thunder Bay, Trois-Rivières and Windsor.

[5] The Canadian Wheat Board, which is not a Crown corporation or agent of the Crown, is considered an other government business enterprise. Subsequent to the end of the fiscal year, the commercialization of the Canadian Wheat Board was finalized.

Table 9.5

Revenues, Expenses and Other Changes in Equity of Enterprise Crown Corporations and Other Government Business Enterprises for the Year Ended March 31, 2015

(in thousands of dollars)

	Revenues			Expenses		
Enterprise Crown corporations and other government business enterprises	Third parties	Government, Crown corporations and other entities [1]	Total	Third parties	Government, Crown corporations and other entities	Total
Competitive, self-sustaining						
Blue Water Bridge Authority	24,986		24,986	21,842		21,842
Canada Development Investment Corporation	1,251,452	1,103	1,252,555	96,856	22,245	119,101
Canada Lands Company Limited	261,299		261,299	224,369	5,981	230,350
Canada Post Corporation	7,911,849	290,827	8,202,676	7,729,593	237,997	7,967,590
Halifax Port Authority	33,835		33,835	28,646	1,456	30,102
Hamilton Port Authority	22,197		22,197	19,105		19,105
Montreal Port Authority	96,944	967	97,911	76,011	5,301	81,312
Prince Rupert Port Authority	44,760	8,357	53,117	20,988	5,709	26,697
Quebec Port Authority	30,371	3,417	33,788	30,826	1,498	32,324
Ridley Terminals Inc.	71,399		71,399	67,450	8,558	76,008
Royal Canadian Mint	2,290,996	125,063	2,416,059	2,334,973	40,944	2,375,917
Saint John Port Authority	16,953		16,953	14,871	135	15,006
Sept-Iles Port Authority	13,039	24	13,063	7,394	308	7,702
Toronto Port Authority	53,366		53,366	36,568		36,568
Vancouver Fraser Port Authority	225,424	54	225,478	122,302	6,945	129,247
Other Canada Port Authorities	47,157	375	47,532	38,634	267	38,901
Total — Competitive, self-sustaining	*12,396,027*	*430,187*	*12,826,214*	*10,870,428*	*337,344*	*11,207,772*
Bank of Canada	*7,570*	*1,809,021*	*1,816,591*	*464,485*	*200,295*	*664,780*
Lending and insurance						
Business Development Bank of Canada	1,058,095		1,058,095	435,782	131,797	567,579
Canada Deposit Insurance Corporation	287,194	32,609	319,803	86,008	1,654	87,662
Canada Mortgage and Housing Corporation	9,197,201	2,195,038	11,392,239	7,320,033	1,512,401	8,832,434
Export Development Canada	1,731,387	258	1,731,645	319,526	(3,518)	316,008
Farm Credit Canada	1,249,511		1,249,511	124,712	221,002	345,714
Total — Lending and insurance	*13,523,388*	*2,227,905*	*15,751,293*	*8,286,061*	*1,863,336*	*10,149,397*
Marketing						
Canadian Wheat Board, The	1,039,581		1,039,581	1,017,819		1,017,819
Freshwater Fish Marketing Corporation	69,832		69,832	67,751		67,751
Total — Marketing	*1,109,413*		*1,109,413*	*1,085,570*		*1,085,570*
Other						
Atlantic Pilotage Authority	22,955		22,955	23,351		23,351
Great Lakes Pilotage Authority	26,606	12	26,618	24,263	1,085	25,348
Laurentian Pilotage Authority	85,662		85,662	82,886		82,886
Pacific Pilotage Authority	75,148		75,148	78,540	139	78,679
Total — Other	*210,371*	*12*	*210,383*	*209,040*	*1,224*	*210,264*
Total	27,246,769	4,467,125	31,713,894	20,915,584	2,402,199	23,317,783
Elimination adjustments						
Total net results	27,246,769	4,467,125	31,713,894	20,915,584	2,402,199	23,317,783
Less equity adjustments						
Share of annual profit						

The accompanying notes for Table 9.4 are an integral part of this table.

[1] Revenues with Government, Crown corporations and other entities include amounts generated from the sale of goods and services, investment income, financial assistance as well as grants where the corporations qualify as a member of a general class of recipients. Additional amounts representing capitel investments received by the corporations are included under "Equity transactions with the Government".

				Equity transactions with the Government		
Net income (loss)	Equity beginning of year	Equity adjustments and other	Other comprehensive income (loss)	Dividends	Capital	Equity end of year
3,144	139,693	(142,400)	(437)			
1,133,454	4,952,796	2,011	(136,914)	(1,040,620)	(1,030,616)	3,880,111
30,949	428,912			(10,000)		449,861
235,086	(1,140,243)		(1,372,073)			(2,277,230)
3,733	155,988		(2,608)			157,113
3,092	116,704		(959)			118,837
16,599	252,778		(3,050)			266,327
26,420	87,761		(1,912)			112,269
1,464	98,188		(2,134)			97,518
(4,609)	267,319					262,710
40,142	314,948	48	(754)	(10,000)		344,384
1,947	86,185					88,132
5,361	69,500	(1,099)	452			74,214
16,798	98,178		(4,435)			110,541
96,231	1,131,739		1,633			1,229,603
8,631	257,665	(75)	(27)			266,194
1,618,442	*7,318,111*	*(141,515)*	*(1,523,218)*	*(1,060,620)*	*(1,030,616)*	*5,180,584*
1,151,811	*450,686*		*(20,112)*	*(1,099,530)*		*482,855*
490,516	4,338,910		(30,247)	(54,613)		4,744,566
232,141	1,568,529		(42)			1,800,628
2,559,805	16,510,718	(10)	(336,947)			18,733,566
1,415,637	7,276,174		(165,181)			8,526,630
903,797	4,165,915		(89,044)	(126,142)		4,854,526
5,601,896	*33,860,246*	*(10)*	*(621,461)*	*(180,755)*		*38,659,916*
21,762		(21,762)				
2,081		(2,081)				
23,843		*(23,843)*				
(396)	7,162		(88)			6,678
1,270	(2,636)					(1,366)
2,776	21,154					23,930
(3,531)	21,185		(57)			17,597
119	*46,865*		*(145)*			*46,839*
8,396,111	41,675,908	(165,368)	(2,164,936)	(2,340,905)	(1,030,616)	44,370,194
	(358,926)	(8,302)	(194,721)			(561,949)
8,396,111	41,316,982	(173,670)	(2,359,657)	(2,340,905)	(1,030,616)	43,808,245
(31,165)		31,165				
8,364,946	41,316,982	(142,505)	(2,359,657)	(2,340,905)	(1,030,616)	43,808,245

Borrowings by Enterprise Crown Corporations and Other Government Business Enterprises

Table 9.6 summarizes the borrowing transactions by agent and non-agent enterprise Crown corporations and other government business enterprises.

In accordance with section 54 of the *Financial Administration Act*, the payment of all money borrowed by agent enterprise Crown corporations and interest thereon is a charge on and payable out of the Consolidated Revenue Fund. Such borrowings therefore constitute obligations of the Government and are recorded as such in the accounts of Canada net of borrowings expected to be repaid directly by these corporations.

Borrowings by non-agent enterprise Crown corporations and other government business enterprises are not on behalf of Her Majesty, but may, at times, be guaranteed by the Government.

Table 9.6

Borrowings by Enterprise Crown Corporations and Other Government Business Enterprises

(in thousands of dollars)

	Balance April 1, 2014	Borrowings and other credits	Repayments and other charges	Balance March 31, 2015
Agent enterprise Crown corporations				
Business Development Bank of Canada	506,850	(2,845)	199,168	304,837
Canada Mortgage and Housing Corporation	206,578,457	39,165,379	36,770,482	208,973,354
Canada Post Corporation	1,051,273	161		1,051,434
Export Development Canada	36,392,525	34,547,250	28,955,000	41,984,775
Farm Credit Canada	614,904	1,544,185	1,489,781	669,308
Freshwater Fish Marketing Corporation	29,663	23,126	29,663	23,126
Royal Canadian Mint	49,581		7,510	42,071
Total — Agent enterprise Crown corporations	245,223,253	75,277,256	67,451,604	253,048,905
Non-agent enterprise Crown corporations and other government business enterprises				
Atlantic Pilotage Authority	4,941		412	4,529
Blue Water Bridge Authority	93,623		93,623	
Canada Lands Company Limited [1]	49,000	26,100	3,500	71,600
Canadian Wheat Board, The	1,114,206	8,208,953	8,421,529	901,630
Halifax Port Authority [2]	49,146	5,790	2,232	52,704
Pacific Pilotage Authority		1,700		1,700
Prince Rupert Port Authority [2]	9,425		2,401	7,024
Quebec Port Authority [2]	2,447	7,297	2,304	7,440
Ridley Terminals Inc.	37,202		4,376	32,826
Sept-Iles Port Authority [2]	72,568	10,650	4,153	79,065
Toronto Port Authority [2]	17,385	8,428	1,310	24,503
Vancouver Fraser Port Authority [2]	103,420	6,212	6,300	103,332
Other Canada Port Authorities [2]	27,323	4,536	1,792	30,067
Total — Non-agent enterprise Crown corporations and other government business enterprises	1,580,686	8,279,666	8,543,932	1,316,420
Total	246,803,939	83,556,922	75,995,536	254,365,325
Borrowings expected to be repaid by enterprise Crown corporations and other government business enterprises	246,803,939			254,365,325
Allowance for borrowings of enterprise Crown corporations and other government business enterprises expected to be repaid by the Government and reported on the Consolidated Statement of Financial Position				

[1] Borrowings of Canada Lands Company Limited are those of its subsidiary, Canada Lands Company CLC Limited, which is not an agent of the Crown.
[2] The Authority is an agent of the Crown only for its port activities. It is considered a non-agent of the Crown for borrowings purposes.

Maturity and Currency of Borrowings by Enterprise Crown Corporations and Other Government Business Enterprises

Table 9.7 summarizes the maturity and currency of borrowings by agent and non-agent enterprise Crown corporations and other government business enterprises as at March 31, 2015.

Table 9.7

Maturity and Currency of Borrowings by Enterprise Crown Corporations and Other Government Business Enterprises

(in thousands of dollars)

Year of maturity	Agent	Non-agent	Total
2015	47,387,194	1,039,603	48,426,797
2016	38,410,767	22,862	38,433,629
2017	37,083,995	24,056	37,108,051
2018	40,919,751	21,036	40,940,787
2019	40,555,056	35,678	40,590,734
Subsequent years	48,692,142	173,186	48,865,328
Total	253,048,905	1,316,420	254,365,325 (1)

(1) The borrowings are composed in Canadian dollar equivalent of 30,496,519 USD, 4,105,729 GBP, 24,016 JPY, 4,271,469 AUD, 1,021,490 EUR, 1,327,204 NZD, 162,247 NOK, 351,173 CHF, 59,001 CLP, 66,023 MXN, 212,169,266 CAD and 311,188 for other currencies.

Contingent Liabilities of Enterprise Crown Corporations and Other Government Business Enterprises

Table 9.8 summarizes the contingent liabilities of enterprise Crown corporations and other government business enterprises. A contingent liability is defined as a potential liability which may become an actual liability when one or more future events occur or fail to occur.

Table 9.8

Contingent Liabilities of Enterprise Crown Corporations and Other Government Business Enterprises

(in thousands of dollars)

	March 31, 2015
Bank of Canada — Callable shares	61,943
Business Development Bank of Canada — Loan guarantees	31,660
Canada Development Investment Corporation — Performance guarantee	8,500
Canada Lands Company Limited — Letters of credit	40,029
Canada Mortgage and Housing Corporation —	
Claims and pending and threatened litigation	23,835
Letters of credit	102,795
Export Development Canada — Loan guarantees	2,184,462
Farm Credit Canada — Letters of credit	4,500
Halifax Port Authority — Claims and pending and threatened litigation	800
Montreal Port Authority — Claims and pending and threatened litigation	2,200
Prince Rupert Port Authority —	
Claims and pending and threatened litigation	1,974
Performance guarantee	3,435
Quebec Port Authority — Letters of credit	200
Royal Canadian Mint — Loan guarantees	9,539
Sept-Iles Port Authority — Loan guarantees	26,000
Vancouver Fraser Port Authority — Performance guarantee	957
Total	2,502,829

Contractual Obligations of Enterprise Crown Corporations and Other Government Business Enterprises

Table 9.9 summarizes the contractual obligations of enterprise Crown corporations and other government business enterprises. A contractual obligation represents a legal obligation to third party organizations or individuals as a result of a contract. Contractual obligations are classified into four main categories: transfer payment agreements, loans authorized but undisbursed, capital expenditures and operating leases.

Table 9.9

Contractual Obligations of Enterprise Crown Corporations and Other Government Business Enterprises at March 31, 2015

(in thousands of dollars)

	Transfer payment agreements	Loans	Capital expenditures	Operating leases and other	Total
Bank of Canada			185,448	195,503	380,951
Business Development Bank of Canada		3,159,962		136,047	3,296,009
Canada Deposit Insurance Corporation			375	12,480	12,855
Canada Development Investment Corporation			32,688	7,195	39,883
Canada Lands Company Limited			49,000	1,345	50,345
Canada Mortgage and Housing Corporation	15,648,232	156,497		103,000	15,907,729
Canada Post Corporation				943,000	943,000
Canadian Wheat Board, The			67,094		67,094
Export Development Canada		23,077,581		86,000	23,163,581
Farm Credit Canada		3,002,900	9,600	49,071	3,061,571
Great Lakes Pilotage Authority				1,657	1,657
Halifax Port Authority			3,000		3,000
Hamilton Port Authority				48	48
Laurentian Pilotage Authority				4,478	4,478
Pacific Pilotage Authority				2,376	2,376
Prince Rupert Port Authority			1,062		1,062
Ridley Terminals Inc.			35	430,770	430,805
Royal Canadian Mint			11,800	109,311	121,111
Vancouver Fraser Port Authority			39,828	25,408	65,236
Other Canada Port Authorities			2,200		2,200
Total	15,648,232	29,396,940	402,130	2,107,689	47,554,991

Financial Assistance to Enterprise Crown Corporations and Other Government Business Enterprises

Table 9.10 summarizes financial assistance for both agent and non-agent enterprise Crown corporations and other government business enterprises. It should be read in conjunction with Table 9.5. The purpose for which payments have been made is segregated between amounts recorded as program transactions and amounts recorded as transfer payments.

All amounts reported represent charges to appropriations or authorities approved by Parliament.

Table 9.10

Financial Assistance to Enterprise Crown Corporations and Other Government Business Enterprises for the Year Ended March 31, 2015

(in thousands of dollars)

	Program	Transfer payments	Financial assistance
Canada Mortgage and Housing Corporation [1]	2,053,213		2,053,213
Canada Post Corporation	22,210		22,210
Canadian Wheat Board, The		22,258	22,258
Total	2,075,423	22,258	2,097,681

[1] Includes budgetary appropriations for Government programs known as the "Minister's Account".

Portfolio Investments

Portfolio investments represent investments in entities with share capital owned jointly by the Government and other governments or organizations to further common objectives. Additional information on these entities is provided in the *President of the Treasury Board's Annual Report to Parliament on Crown Corporations and Other Corporate Interests of Canada*.

Under the terms of Section 147 of the *Bankruptcy and Insolvency Act*, the Superintendent of Bankruptcy has received shares in a number of corporations in lieu of a cash levy payable to the Crown.

Table 9.11 presents a summary of the balances and transactions for the various types of portfolio investments.

Table 9.11
Portfolio Investments

	April 1, 2014	Payments and other charges [1]	Receipts and other credits	March 31, 2015
	$	$	$	$
Atlantic Canada Opportunities Agency —				
Equity Investment		11,359,396		11,359,396
Environment —				
Parks Canada Agency —				
Co-operative Housing Project	337,106			337,106
Finance —				
Canada Pension Plan Investment Board	100			100
Foreign Affairs, Trade and Development —				
Canada Investment Fund for Africa	72,856,389	167,518	21,549,165	51,474,742
Industry —				
National Research Council of Canada —				
Equity Ownership	282,906			282,906
Natural Resources —				
Lower Churchill Development Corporation Limited	14,750,000			14,750,000
Treasury Board —				
Public Sector Pension Investment Board	100			100
Western Economic Diversification —				
North Portage Development Corporation		1		1
Total	88,226,601	11,526,915	21,549,165	78,204,351

[1] Payments and other charges may include transactions such as loans, adjustments, etc.

Equity Investment

In order to help fulfill its mandate to promote economic development in the Cape Breton Region of Nova Scotia, Enterprise Cape Breton Corporation (ECBC) had taken equity interests in several companies to help the organizations expand or innovate.

Upon ECBC's dissolution on June 19, 2014, all of ECBC assets and obligations, except real property, were transferred to Atlantic Canada Opportunities Agency (ACOA). ACOA has been given the authority to hold or exercise, or surrender, sell, assign or otherwise dispose of, a stock option, share or other similar financial instruments that it acquires from ECBC or any of its subsidiaries.

Co-operative Housing Project

The Parks Canada Agency has invested in the Rocky Mountain II Co-operative Housing Association, along with five other entities, to provide accommodation for Parks Canada employees and employees of other entities in Banff, Alberta.

Canada Pension Plan Investment Board

The Canada Pension Plan Investment Board (CPPIB) was created pursuant to the *Canada Pension Plan Investment Board Act*. The CPPIB's objectives are to assist the Canada Pension Plan (CPP) in meeting its obligations to contributors and beneficiaries and to manage any amounts transferred to it in their best interest.

The Government holds 100 percent of the share capital of the CPPIB that consists of 10 shares having a fair value of $10 each issued as per legislation. The assets managed by the CPPIB are included in the CPP financial statements. They are excluded from the Government's consolidated financial statements since CPP is not part of the Government's reporting entity as explained in Note 1 of the Government's financial statements.

Canada Investment Fund for Africa

The Canada Investment Fund for Africa (CIFA) is a joint public-private sector initiative designed to provide risk capital for private investments in Africa that generate growth. The CIFA is a direct response to the New Partnership for Africa's Development (NEPAD) and the G8 Africa Action Plan. The main objectives of the CIFA are to optimize public-private investment in the Fund, to confer a beneficial development impact on Africa by way of increased foreign direct investment and to optimize the beneficial impact of the Fund's activities on Canadian interests.

The Government of Canada is a limited partner in the CIFA and its commitment towards the Fund was subject to matching funds of other investors and was to be equal to the lesser of: *(i)* $100 million or *(ii)* the aggregated commitments of all other limited partners of the partnership. The investment period in the CIFA ended January 1, 2009. From thereon, until the term of the partnership is reached on December 31, 2015, the Department of Foreign Affairs, Trade and Development (DFATD) will only receive income returns of capital. Since its inception, the Canadian International Development Agency (now amalgamated with DFATD) received capital reimbursement from CIFA amounting to $55.4 million and investment income of $8.2 million.

Equity Ownership

In order to help fulfill its mandate to promote industrial innovation in Canada, the National Research Council of Canada (NRC) has taken equity interests in several new firms based on NRC technology. NRC provides financial assistance at better than market conditions to firms through access to equipment, intellectual property and incubation space in laboratories and in the organization's Industry Partnership Facilities.

Since these companies often cannot afford to pay the full cost of the assistance received from the NRC, the NRC takes an equity position in a company in order to help the firms survive the critical development stage. In turn, it allows NRC to earn a return that somewhat reflects the risk taken should the company become successful.

This investment in equity is authorized under subsection 92(1)(*b*) of the *Financial Administration Act* which allows for the acquisition or the sale or other disposal of shares or assets in the ordinary course of a business of providing financial assistance to publicly and privately held companies and are recorded at cost.

The Government's holdings of shares represent a minority interest in two publicly traded companies and one privately held company.

Lower Churchill Development Corporation Limited

The Lower Churchill Development Corporation (LCDC) was incorporated in 1978 under the *Companies Act* of Newfoundland, with the objective of developing all or part of the hydroelectric potential of the Lower Churchill Basin. It is owned 51 percent by Newfoundland and Labrador Hydro, the designate for the Government of Newfoundland and Labrador, and 49 percent by Canada. LCDC in not an active operating company.

Canada owns 1,475 class A shares, which it purchased for $10,000 per share in the initial years of the corporation. Funds were used to finance feasibility studies for proposed Lower Churchill projects. The corporation's only asset was an Option Right to purchase the Gull Island Production Company's assets and acquire hydroelectric development rights on the Lower Churchill River, granted by the Government of Newfoundland and Labrador in exchange for its initial ownership stake, valued at $5,200,000.

The option has expired and has not been extended by the province, resulting in an investment write-down for LCDC.

Public Sector Pension Investment Board

The Public Sector Pension Investment Board (PSPIB) was created pursuant to the *Public Sector Pension Investment Board Act*. Its mandate is to invest the amounts transferred since April 1, 2000 by the Government of Canada. These amounts represent contributions less benefits and other payments for the pension plans of the Public Service, Canadian Forces, Royal Canadian Mounted Police and since March 1, 2007 for the Reserve Force Pension Plan. The PSPIB's objective is to achieve maximum rates of return on investments, without undue risk while respecting the requirements and financial obligations of those plans.

The Government holds 100 percent of the share capital of the PSPIB that consists of 10 shares having a par value of $10 each issued as per legislation. The assets managed by the PSPIB are recorded against the pension obligations.

North Portage Development Corporation

The Corporation was incorporated under *The Corporations Act* of Manitoba, to foster the social and economic development of the North Portage area in the core area of Winnipeg. The objective of the Government's participation is to stimulate economic recovery in Canada and Manitoba.

The Government's holding of common shares represents 33.3 percent of the shares outstanding. The Corporation is owned equally by the City of Winnipeg, the Province of Manitoba and the Government of Canada. There are 3 common shares issued, having a par value of $1 each.

National Governments including Developing Countries

Loans to national governments consist mainly of loans for financial assistance, international development assistance to developing countries, and loans for development of export trade (administered by Export Development Canada).

Table 9.12 presents a summary of the balances and transactions for the loans and advances that were made to national governments including developing countries.

Table 9.12

National Governments including Developing Countries

	April 1, 2014	Payments and other charges	Receipts and other credits	March 31, 2015
	$	$	$	$
Finance — Financial assistance — Ukraine		400,000,000		400,000,000
Foreign Affairs, Trade and Development — Development of export trade (loans administered by Export Development Canada) — National governments	194,573,017	261,311,175	32,331,164	423,553,028
Foreign Affairs, Trade and Development — International development assistance — Developing countries	187,098,326		22,713,888	164,384,438
National Defence — Damage claims recoverable — North Atlantic Treaty Organization		6,203	6,203	
Total	381,671,343	661,317,378	55,051,255	987,937,466

Financial assistance — Ukraine

Pursuant to Section 8.3 of the *Bretton Woods and Related Agreements Act*, the Minister of Finance, by order of the Governor in Council, is authorized to extend certain forms of financial assistance to a foreign state. The provision of such financial assistance is contingent upon that state having an arrangement with the International Monetary Fund and upon the satisfactory participation of other countries with Canada in the provision of financial assistance.

Funding for such transactions is provided by the Minister of Finance out of the Consolidated Revenue Fund. The maximum amount of financial assistance that can be provided under legislation is $2.5 billion US in respect of any particular foreign state and $5 billion US in respect of all foreign states.

During the year, the Government provided $400 million Cdn in financial assistance in the form of interest-bearing loans to Ukraine. As at March 31, 2015, the outstanding loan balance to the Ukraine was $400 million Cdn (2014 - $nil). There were no other balances or transactions in respect of Ukraine or other foreign states during the year.

These loans bear interest at rates ranging between 1.4 percent and 2.1 percent and have repayment term of 5 years.

Development of export trade — National governments

Pursuant to Section 23 of the *Export Development Act*, the Minister for International Trade, with the concurrence of the Minister of Finance, may authorize Export Development Canada (EDC) to enter into certain transactions or class of transactions where the Minister is of the opinion it is in the national interest and where EDC has advised the Minister that it will not enter into such transactions without such authorization. Funding for such transactions is provided by the Minister of Finance out of the Consolidated Revenue Fund and the transactions are administered by EDC on behalf of the Government of Canada.

Loan transactions with longer repayment terms or low or zero interest rates are recorded in part as expenses when the economic value is reduced due to such concessionary terms.

Tables 11.4 and 11.5 (Section 11 of this volume) present additional information on contractual obligations and guarantees that are disclosed in the notes to the audited consolidated financial statements in Section 2 of this volume.

The following table presents the balances and transactions for loans made to national governments, together with their terms and conditions of repayments.

		Payments and other charges		Receipts and other credits		
	April 1, 2014	Payments or other charges [1]	Revaluation	Receipts or other credits [2]	Revaluation	March 31, 2015
	$	$	$	$	$	$
Non-Budgetary Loans [3] —						
(a) 1 to 5 year term, Canadian prime rate plus 0.35 percent interest per annum, assumed from the Canadian Wheat Board (CWB), with final repayments in June 2016:						
Egypt		25,002,018		6,040,226		18,961,792
(b) 1 to 5 year term, 3.0 percent to 9.0 percent interest per annum, with final repayments in May 2019:						
Argentina	29,370,665		3,546,879	9,523,468		23,394,076
(c) 11 to 15 year term, based on 6 month London Interbank Offered Rate (LIBOR) plus 0.50 percent interest per annum, assumed from CWB with final repayments in January 2028:						
Iraq		140,054,502	575,106			140,629,608
(d) 11 to 15 year term, interest based on LIBOR, plus a range of rates from 0.5 percent to 1.0 percent per annum, with final repayments between December 2019 and June 2020:						
Kenya	844,610		132,731	75,558		901,783
(e) 16 to 20 year term, interest based on LIBOR, plus a range of rates from 0.5 percent to 0.63 percent per annum, with final repayments between October 2018 and June 2021:						
Indonesia	466,797		62,012	45,384		483,425
Venezuela	26,409,301		2,640,700	8,751,978		20,298,023
	26,876,098		*2,702,712*	*8,797,362*		*20,781,448*
(f) 21 to 25 year term, 9.0 percent to 10.0 percent interest per annum, with final repayments in September 2000:						
Sudan	4,269,450		622,169			4,891,619
(g) 21 to 25 year term, interest based on LIBOR, plus 0.55 percent per annum, with final repayments in November 2024:						
Pakistan	6,095,746		850,613	281,324		6,665,035
Total — Non-budgetary loans	67,456,569	165,056,520	8,430,210	24,717,938		216,225,361
Budgetary Loans [3] —						
(a) 21 to 25 year term, 0 percent to 3.5 percent interest per annum, with final repayments between March 2011 and November 2015:						
Indonesia	4,158,301		218,617	2,700,428		1,676,490
(b) 26 to 30 year term, 3.0 percent interest per annum, with final repayments between December 2016 and April 2018:						
Algeria	2,142,000			568,000		1,574,000
(c) 31 to 55 year term, 0 percent to 10.29 percent interest per annum, with final repayments between September 2029 and February 2045:						
China	403,296,732		56,822,332	20,116,864		440,002,200
Egypt	7,869,584		325,143	333,201		7,861,526
Gabon	7,268,624		1,032,443	287,475		8,013,592
India	41,915,539		5,974,566	1,490,984		46,399,121
Jamaica	4,955,933		704,624	214,177		5,446,380
Morocco	70,068,161		9,905,069	2,945,298		77,027,932
Turkey	85,936,201		12,222,011	3,153,592		95,004,620
	621,310,774		*86,986,188*	*28,541,591*		*679,755,371*

		Payments and other charges		Receipts and other credits		
	April 1, 2014	Payments or other charges (1)	Revaluation	Receipts or other credits (2)	Revaluation	March 31, 2015
	$	$	$	$	$	$
(d) 31 to 55 year term, comprised of several loans with fixed or variable interest rates currently ranging from 0 percent to 2.21 percent per annum, with final repayments between December 2018 and December 2033:						
Kenya	4,598,744		619,640	237,774		4,980,610
Total — Budgetary loans	632,209,819		87,824,445	32,047,793		687,986,471
Subtotal	699,666,388	165,056,520	96,254,655	56,765,731		904,211,832
Less: portion expensed due to concessionary terms	505,093,371			24,434,567		480,658,804
Total	194,573,017	165,056,520	96,254,655	32,331,164		423,553,028

Note: Final repayment dates may change if loan amounts are rescheduled or restructured.

(1) Payments or other charges may include transactions such as loans, adjustments, etc.

(2) Receipts or other credits may include transactions such as repayments, forgiveness, adjustments, etc.

(3) Prior to April 1, 1987, these loans were authorized by miscellaneous non-budgetary authorities. Subsequently, they were authorized by miscellaneous budgetary authorities.

International development assistance — Developing countries

Interest-free or low interest bearing loans have been made through the Canadian International Development Agency, now amalgamated with the Department of Foreign Affairs, Trade and Development (DFATD) to developing countries for international development assistance. Loans are recorded in part as expenses when the economic value of the loans is reduced due to their concessionary terms. No new loans have been issued since April 1, 1986.

All loans have been made in Canadian dollars and are therefore not subject to revaluations for foreign exchange fluctuations.

Similar assistance has been provided to developing countries by way of subscriptions and advances to the International Development Association, advances to the Global Environment Facility, and loans to other international financial institutions. These are reported later in this section under the heading “International Organizations”.

In 2006-2007, the Government of Canada, as represented by the Canadian International Development Agency (now amalgamated with DFATD), entered into an agreement with the Government of Pakistan to forgive its outstanding $447,507,534 loan pursuant to Foreign Affairs and International Trade Vote 32c, *Appropriation Act No. 5, 2009-2010*. In order to expire its debt obligation, the Government of Pakistan will be required to make education sector investments that are equivalent to the current present value of its debt. According to the agreement, Pakistan’s debt is to be written down proportionally as the investments are made in 2014-2015. The Government of Pakistan has invested in its education sector program and those investments permitted to grant the Government of Pakistan a debt forgiveness equivalent to $47,612,029. Since 2009-2010, the Government of Pakistan’s debt has been reduced by the total amount of $324,893,067.

The following table presents the ballances and transactions for the loans made to developing countries, together with their terms and conditions of repayments.

	April 1, 2014	Payments and other charges	Receipts and other credits[1]	March 31, 2015
	$	$	$	$
(a) 30 year term, 7 year grace period, 3.0 percent interest per annum, with final repayment in March 2005:				
Cuba	9,547,012			9,547,012
(b) 35 year term, 4 year grace period, 5.0 percent interest per annum, semi-annual interest repayments with first principal repayment due January 2017 and final repayment in July 2026:				
Egypt	44,995,933			44,995,933
(c) 50 year term, 10 year grace period, non-interest bearing, with final repayments between March 2015 and September 2035:				
Algeria	4,036,655		240,756	3,795,899
Argentina	65,333		18,667	46,666
Bolivia	339,161		42,395	296,766
Chile	392,247		147,093	245,154
Colombia	118,386		26,308	92,078
Dominican Republic	2,325,573		236,045	2,089,528
Ecuador	2,365,668		304,918	2,060,750
Guatemala	1,281,250		100,000	1,181,250
Indonesia	125,514,547		10,310,317	115,204,230
Malaysia	1,105,143		62,935	1,042,208
Malta	249,980		25,000	224,980
Mexico	9,700		2,772	6,928
Morocco	3,994,010		384,920	3,609,090
Pakistan	170,226,496		47,612,029	122,614,467
Paraguay	59,989		19,996	39,993
Peru	16,777		3,729	13,048
Philippines	1,063,313		97,159	966,154
Sri Lanka	58,197,292		4,325,399	53,871,893
Thailand	10,393,022		674,620	9,718,402
Tunisia	32,105,699		3,295,729	28,809,970
	413,860,241		*67,930,787*	*345,929,454*
(d) 50 year term, 13 year grace period, non-interest bearing, with the final repayment in March 2023:				
Algeria	11,205,822		622,546	10,583,276
Subtotal	479,609,008		68,553,333	411,055,675
Less: portion expensed due to concessionary terms	292,510,682		45,839,445	246,671,237
Total	187,098,326		22,713,888	164,384,438

Note: Grace period refers to interval from date of issuance of the loan to first repayment of loan principal.

[1] Receipts and other credits may include transactions such as repayments, forgiveness, adjustments, etc.

Damage claims recoverable — North Atlantic Treaty Organization

Article VIII of the NATO Status of Forces Agreement signed April 4, 1949, as amended, deals with claims for damages to third parties arising from accidents in which a member of a visiting force is involved. This account is charged with the amount recoverable from other states, for claims for damages which took place in Canada, and is credited with recoveries.

The advances are non-interest bearing and have no specific repayment terms.

International Organizations

This group records Canada's subscriptions to the share capital of international banks. It also includes loans and advances to associations and other international organizations.

Canada's subscriptions to the share capital of a number of international banks are composed of both paid-in and callable capital. Subscriptions to international organizations do not provide a return on investment but are repayable on termination of the organization or withdrawal from it.

Paid-in capital subscriptions are made through a combination of cash payments and the issuance of non-interest bearing, non-negotiable notes payable to the organization. Although payable on demand, these notes are typically encashed according to terms of agreements reached between the organization and participating countries. Canada's subscriptions to the paid-in capital of these organizations are reported in Table 9.13.

Callable share capital is composed of resources that are not paid to the banks but act as a guarantee to allow them to borrow on international capital markets to finance their lending program. Callable share capital, which has never been drawn on by the banks, would only be utilized in extreme circumstances to repay loans, should a bank's reserves not be sufficient. It represents a contingent liability of the Government, and is listed with other contingent liabilities related to international organizations in Table 11.6 (Section 11 of this volume).

Most loans and advances to international organizations are made to banks and associations that use these funds to make loans to developing countries at significant concessionary terms. Loans made on a long-term, low-interest or interest-free basis, and investments in organizations that make similar loans, are recorded in full or in part as expenses when the economic value is reduced due to their concessionary terms.

Table 9.13 presents a summary of the balances and transactions for share capital, loans and advances to international organizations. The revaluation amount represents the conversion of foreign currency balances to the year-end closing rates of exchange. Balances denominated in United States dollars were converted to Canadian dollars at year-end exchange rate of ($1 US/$1.2666 Cdn).

Tables 11.4 and 11.6 (Section 11 of this volume) present additional information on contractual obligations and contingent liabilities for international organizations that are disclosed in the notes to the audited consolidated financial statements in Section 2 of this volume.

The notes payable outstanding at year end of $34,440,123 ($471,669,652 in 2014) are reported in Table 5.3 (Section 5 of this volume).

Table 9.13

International Organizations

		Payments and other charges		Receipts and other credits		
	April 1, 2014	Participation or other charges	Revaluation	Reimbursements or other credits	Revaluation	March 31, 2015
	$	$	$	$	$	$
Capital subscriptions (1) —						
Finance						
European Bank for Reconstruction and Development	239,006,522		34,829,444			273,835,966
International Bank for Reconstruction and Development	478,254,744	67,303,615				545,558,359
International Development Association (2)	10,289,338,061	441,610,000				10,730,948,061
International Finance Corporation	89,923,581		13,104,196			103,027,777
Multilateral Investment Guarantee Agency	11,864,502		1,728,966			13,593,468
	11,108,387,410	*508,913,615*	*49,662,606*			*11,666,963,631*
Foreign Affairs, Trade and Development —						
African Development Bank	237,880,844		25,464,411			263,345,255
Asian Development Bank	314,701,135	40,625,416	20,582,863			375,909,414
Caribbean Development Bank	44,184,199		5,529,263			49,713,462
Inter-American Development Bank	243,938,642	16,829,855	35,454,794			296,223,291
Inter-American Investment Corporation	1,645,200		254,700			1,899,900
	842,350,020	*57,455,271*	*87,286,031*			*987,091,322*
	11,950,737,430	*566,368,886*	*136,948,637*			*12,654,054,953*

Table 9.13

International Organizations — *Concluded*

		Payments and other charges		Receipts and other credits		
	April 1, 2014	Participation or other charges	Revaluation	Reimbursements or other credits	Revaluation	March 31, 2015
	$	$	$	$	$	$
Loans and advances —						
Finance —						
Global Environment Facility [2]	10,000,000					10,000,000
International Finance Corporation — Financial Mechanism for Climate Change Facility	328,854,800			1,213,018		327,641,782
International Finance Corporation — Global Agriculture and Food Security Program	48,000,000			279,000		47,721,000
International Monetary Fund — Poverty Reduction and Growth Trust [1]	75,140,070	60,328,962	667,667	17,241,335		118,895,364
	461,994,870	*60,328,962*	*667,667*	*18,733,353*		*504,258,146*
Foreign Affairs, Trade and Development —						
International financial institutions [2] —						
African Development Bank	843,895			125,000		718,895
African Development Fund	2,549,333,388	103,100,000	12,082,491			2,664,515,879
Andean Development Corporation	1,187,500			125,000		1,062,500
Asian Development Bank — Special	27,027,000					27,027,000
Asian Development Fund	2,210,504,883	47,690,125				2,258,195,008
Caribbean Development Bank — Agricultural Development Fund	2,000,000					2,000,000
Caribbean Development Bank — Commonwealth Caribbean Regional	4,422,000		644,400			5,066,400
Caribbean Development Bank — Special	302,554,400	16,705,000	2,021,805			321,281,205
Central American Bank for Economic Integration	267,780			76,500		191,280
Global Environment Facility Trust Fund	726,320,000	54,750,000				781,070,000
Inter-American Development Bank — Fund for Special Operations	358,511,200	886,997	29,107,253			388,505,450
International Bank for Reconstruction and Development	22,110,000		3,222,000			25,332,000
International Fund for Agriculture Development	366,883,396	12,500,000				379,383,396
International Monetary Fund	12,126,707		1,767,176			13,893,883
Montreal Protocol Multilateral Fund	99,393,278	4,277,502	4,298,865			107,969,645
Multilateral Investment Fund	49,308,294					49,308,294
	6,732,793,721	*239,909,624*	*53,143,990*	*326,500*		*7,025,520,835*
International organizations and associations [1] —						
Berne Union of the World Intellectual Property Organization	39,192					39,192
Customs Co-operation Council	9,662					9,662
Food and Agriculture Organization	1,051,200					1,051,200
General Agreement on Tariffs and Trade	48,806					48,806
International Atomic Energy Agency	447,110					447,110
International Civil Aviation Organization	200,429					200,429
International Maritime Organization	2,202					2,202
Paris Union of the World Intellectual Property Organization	100,989					100,989
United Nations Educational, Scientific and Cultural Organization	872,987					872,987
United Nations organizations	3,632,480					3,632,480
World Health Organization	181,122					181,122
	6,586,179					*6,586,179*
	7,201,374,770	*300,238,586*	*53,811,657*	*19,059,853*		*7,536,365,160*
Subtotal	19,152,112,200	866,607,472	190,760,294	19,059,853		20,190,420,113
Less: portion expensed due to concessionary terms	1,586,308			166,491		1,419,817
Total	19,150,525,892	866,607,472	190,760,294	18,893,362		20,189,000,296

[1] Loans and investments made prior to April 1, 1986 which were authorized by non-budgetary authorities.
[2] Loans and investments made since April 1, 1986 which were authorized by budgetary authorities.

European Bank for Reconstruction and Development

This account records Canada's subscriptions to the capital of the European Bank for Reconstruction and Development (EBRD), as authorized by the *European Bank for Reconstruction and Development Agreement Act*, and various appropriation acts.

At year end, Canada has subscribed to 102,049 shares of the EBRD's authorized capital valued at 1,020,490,000 EUR.

Only 212,850,000 EUR or about 21 percent of Canada's share subscription is considered "paid-in". The balance is callable meaning the institution can request the resources in the unlikely event that it requires them to meet its financial obligations to bondholders. Payments for the share subscription are authorized by the Act. Each payment to the EBRD is comprised of cash and a promissory note.

Canada's contingent liability for the callable portion of its shares was 807,640,000 EUR.

Up to and including March 31, 2015 Canada's total cash contributions into the "paid-in" capital of the EBRD total $216,197,668 US.

International Bank for Reconstruction and Development

This account records Canada's subscriptions to the capital of the International Bank for Reconstruction and Development (World Bank), as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As at March 31, 2015, Canada has subscribed to 58,354 shares. The total value of these shares is $7,039,534,790 US, of which $417,775,385 US plus $16,404,055 Cdn has been paid-in. The remaining portion is callable.

The callable portion is subject to call by the World Bank under certain circumstances. Canada's contingent liability for the callable portion of its shares is $6,606 million US.

International Development Association

This account records Canada's contributions and subscriptions to the International Development Association (IDA), as authorized by the *Bretton Woods* and *Related Agreements Act*, and various appropriation acts (including Finance Vote 6b, *Appropriation Act No. 4, 2014-2015*). The contributions and subscriptions to IDA, which is part of the World Bank Group, are used to lend funds to the poorest developing countries for development purposes, on highly favourable terms (no interest, with a 35 to 40 year maturity and 10 years of grace).

As at March 31, 2015, Canada's total participation in IDA amounted to $10,730,948,061 Cdn.

International Finance Corporation

This account records Canada's subscriptions to the capital of the International Finance Corporation, which is part of the World Bank Group, as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As at March 31, 2015, Canada has subscribed to 81,342 shares. These shares have a total value of $81,342,000 US, all of which has been paid-in.

Multilateral Investment Guarantee Agency

This account records Canada's subscriptions to the capital of the Multilateral Investment Guarantee Agency, as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As at March 31, 2015, Canada has subscribed to 5,225 shares. The total value of these shares is $56,534,500 US, of which $10,732,250 US is paid-in and the remaining portion is callable.

The callable portion is subject to call by the Multilateral Investment Guarantee Agency under certain circumstances. Canada's contingent liability for the callable portion of its shares is $45,802,250 US.

African Development Bank

This account records Canada's subscriptions to the capital of the African Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

At year end, authority had been granted for subscriptions of 18,016 paid-in shares and 227,656 callable shares. Paid-in shares are purchased using cash and notes payable that are later encashed.

As at March 31, 2015, Canada's participation to the paid-in capital is $263,345,255 Cdn for 15,793 paid-in shares and of these paid-in shares, 11,265 were issued in US dollars.

The callable shares are subject to call by the African Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of $984,917,646 Cdn and $2,480,149,065 US for a total value of $4,126,274,451 Cdn.

Asian Development Bank

This account records Canada's subscriptions to the capital of the Asian Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

At year end, authority had been granted for subscriptions of 27,768 paid-in shares and 527,490 callable shares. Paid-in shares are purchased using cash and notes payable that are later encashed.

As at March 31, 2015, Canada's participation to the paid-in capital is $375,909,414 Cdn for 27,768 paid-in shares. Of these paid-in shares, 25,398 were issued in US dollars.

The callable shares are subject to call by the Asian Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of $6,363,375,615 US for a total value of $8,059,851,554 Cdn.

Caribbean Development Bank

This account records Canada's subscriptions to the capital of the Caribbean Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

At year end, authority had been granted for subscriptions of 5,710 paid-in shares and 20,294 callable shares. Paid-in shares are purchased using cash and notes payable that are later encashed.

As at March 31, 2015, Canada's participation to the paid-in capital is $49,713,462 Cdn for 5,710 paid-in shares. These shares were issued in US dollars.

The callable shares are subject to call by the Caribbean Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of $122,408,132 US for a total value of $155,042,139 Cdn.

Inter-American Development Bank

This account records Canada's subscriptions to the capital of the Inter-American Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

At year end, authority had been granted for subscriptions of 20,034 paid-in shares and 571,655 callable shares. Paid-in shares are purchased using cash and notes payable that are later encashed.

As at March 31, 2015, Canada's participation to the paid-in capital is $296,223,291 Cdn for 18,905 paid-in shares. These shares were issued in US dollars.

The callable shares are subject to call by the Inter-American Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of $6,896,121,437 US for a total value of $8,734,627,412 Cdn.

Inter-American Investment Corporation

This account records Canada's subscriptions to the capital of the Inter-American Investment Corporation, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

At year end, authority had been granted for subscriptions of 150 paid-in shares. Paid-in shares are purchased using cash and notes payable that are later encashed.

As at March 31, 2015, Canada's participation to the paid-in capital is $1,899,900 Cdn for 150 paid-in shares. These shares were issued in US dollars.

Global Environment Facility

This account records the funding of a facility for environmental funding in developing countries in the areas of ozone, climate change biodiversity and international waters as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts. Advances to the Global Environment Facility (GEF) are made in non-negotiable, non-interest bearing demand notes that are later encashed.

As at March 31, 2015, advances to the GEF amounted to $10,000,000 Cdn.

International Finance Corporation — Financial Mechanisms for Climate Change Facility

This account records Canada's financial support of the International Finance Corporation's (IFC) — Financial Mechanisms for Climate Change (FMCC) facility as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts (including Finance Vote L12b, *Appropriation Act No. 4, 2010-2011* and Vote L17c, *Appropriation Act No. 5, 2012-2013*). The FMCC supports private sector engagement in climate change mitigation and adaptation activities through the provision of concessional and commercial financing arrangements.

As at March 31, 2015, advances to the IFC-FMCC amounted to $327,641,782 Cdn. During the year, amounts were recovered through the FMCC trust mechanism based on the terms and conditions of project funding which is administered by the IFC in accordance with the administration agreement signed between the IFC and the Government of Canada.

International Finance Corporation — Global Agriculture and Food Security Program

This account records Canada's financial assistance to the International Finance Corporation (IFC) for participation in the G8 Food Security Initiative (FSI) as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As at March 31, 2015, advances to the IFC-FSI amounted to $47,721,000 Cdn.

During the year, amounts for front-end and commitment fees, interest and capital were repaid in accordance with the administration agreement signed between the IFC and the Government of Canada.

International Monetary Fund — Poverty Reduction and Growth Trust

This account records the loan to the International Monetary Fund's Poverty Reduction and Growth Trust (formerly the Poverty Reduction and Growth Facility) in order to provide assistance to qualifying low-income countries as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

The total loan authority pursuant to the *Bretton Woods and Related Agreements Act* was set at $550 million or such greater amount as may be fixed by the Governor in Council. The Governor in Council subsequently increased the limit to SDR 1.2 billion.

As at March 31, 2015, Canada has lent a total of 762,895,000 SDR to the Poverty Reduction and Growth Trust. Of this amount, 694,848,250 SDR has been repaid.

The outstanding balance of 68,046,750 SDR was translated into Canadian dollars at the year-end closing rate of exchange (1 SDR /$1.74726 Cdn). During the year, transactions included repayments and an exchange valuation adjustment.

Separately, Canada has also made budgetary contributions towards an interest subsidy amounting to 215,157,946 SDR, which do not appear in Table 9.13.

International financial institutions

This account records loans and advances for assistance to international financial institutions, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts (including Foreign Affairs, Trade and Development Votes L20b and L25).

In certain cases, loans and advances are made using notes payable that are later encashed. During the year, transactions included loans and advances made in cash and through note issuances, encashments of notes issued in previous years and revaluations for foreign currency fluctuations.

International organizations and associations

These items represent the value of payments established in 2006 made by the Canadian Government to working capital funds maintained by international organizations of which Canada is a member. Participation in the financing of these working capital funds, on the basis of the scale of assessments, is prescribed by financial regulations for membership in the organizations. Payments into the funds are not subject to interest or repayment schedules, but are recorded by the organizations as credits from member states. Payments by Canada were authorized by appropriation acts.

Provincial and Territorial Governments

This category records loans to provinces and territories made under relief acts and other legislation.

Loans made on a long-term, low-interest or interest-free basis are recorded in part as expenses when the economic value of these loans is reduced due to their concessionary terms.

Table 9.14 presents a summary of the balances and transactions for the various types of loans and advances that have been made to provincial and territorial governments.

Table 9.14
Provincial and Territorial Governments

	April 1, 2014	Payments and other charges	Receipts and other credits	March 31, 2015
	$	$	$	$
Finance				
Newfoundland and Labrador				
Federal-provincial fiscal arrangements	309,060,836		18,936,408	290,124,428
Municipal Development and Loan Board	315,626			315,626
Winter capital projects fund	2,836,758			2,836,758
	312,213,220		*18,936,408*	*293,276,812*
Nova Scotia				
Federal-provincial fiscal arrangements	66,639,408		33,319,824	33,319,584
Prince Edward Island				
Federal-provincial fiscal arrangements	8,468,840		3,907,704	4,561,136
Winter capital projects fund	63,079			63,079
	8,531,919		*3,907,704*	*4,624,215*
New Brunswick				
Federal-provincial fiscal arrangements	41,664,272		20,832,216	20,832,056
Quebec				
Federal-provincial fiscal arrangements	436,251,586	39,216,750	311,363,208	164,105,128
Ontario				
Federal-provincial fiscal arrangements	120,291,992		15,036,504	105,255,488
Manitoba				
Federal-provincial fiscal arrangements	9,395,032		4,697,496	4,697,536
Saskatchewan				
Federal-provincial fiscal arrangements	180,210,144		23,660,208	156,549,936
Alberta				
Federal-provincial fiscal arrangements	4,594,568		2,297,304	2,297,264
British Columbia				
Comprehensive Integrated Tax Coordination Agreement	639,600,000		319,800,000	319,800,000
Federal-provincial fiscal arrangements	120,194,168		60,097,104	60,097,064
	759,794,168		*379,897,104*	*379,897,064*
Subtotal	1,939,586,309	39,216,750	813,947,976	1,164,855,083
Less: portion expensed due to concessionary terms	62,858,221	33,325,000	43,468,050	52,715,171
Total	1,876,728,088	5,891,750	770,479,926	1,112,139,912

Federal-provincial fiscal arrangements

These amounts represent net overpayments in respect of transfer payments to provinces under the *Constitution Acts 1867 to 1982*, the *Federal-Provincial Fiscal Arrangements Act*, and other statutory authorities. The overpayments are non-interest bearing and will be repaid by reducing transfer payments in subsequent years.

Municipal Development and Loan Board

Loans have been made to provinces and municipalities, to augment or accelerate municipal capital works programs.

The loans bear interest at rates from 5.25 percent to 5.375 percent per annum, and are repayable in annual or semi-annual instalments over 15 to 50 years.

Winter capital projects fund

Loans have been made to provinces, provincial agencies and municipalities, to assist in the creation of employment.

The loans bear interest at rates from 7.4 percent to 9.5 percent per annum, and are repayable either in annual instalments over 5 to 20 years, or at maturity.

Comprehensive Integrated Tax Coordination Agreement

Transitional assistance that had been paid to British Columbia as part as a Comprehensive Integrated Tax Coordination Agreement with Canada is being recovered in equal annual instalments with final payment due in March 2016. The government has not collected interest on these amounts.

Other Loans, Investments and Advances

This group records loans, investments and advances not classified elsewhere.

Table 9.15 presents a summary of the balances and transactions for the various types of other loans, investments and advances.

Table 9.15

Other Loans, Investments and Advances

	April 1, 2014	Payments and other charges	Receipts and other credits	March 31, 2015
	$	$	$	$
Unconditionally repayable contributions —				
Agriculture and Agri-Food	83,126,650	36,629,954	3,806,391	115,950,213
Atlantic Canada Opportunities Agency	336,025,758	77,670,116	66,438,134	347,257,740
Economic Development Agency of Canada for the Regions of Quebec	419,626,971	89,566,245	65,727,472	443,465,744
Federal Economic Development Agency for Southern Ontario	178,896,938	26,004,309	22,620,174	182,281,073
Foreign Affairs, Trade and Development	525,000,000			525,000,000
Industry	782,977,288	133,804,453	34,487,507	882,294,234
Western Economic Diversification	27,871,985	9,360,469	7,228,188	30,004,266
Subtotal	2,353,525,590	373,035,546	200,307,866	2,526,253,270
Less: portion expensed due to concessionary terms	268,857,674	4,740,474	27,707,771	245,890,377
Total — Unconditionally repayable contributions	2,084,667,916	368,295,072	172,600,095	2,280,362,893
Loans and accountable advances —				
Foreign Affairs, Trade and Development				
Missions abroad	38,616,312	182,534,165	175,132,690	46,017,787
Personnel posted abroad	20,689,897	4,001,601	2,178,725	22,512,773
	59,306,209	*186,535,766*	*177,311,415*	*68,530,560*
National Defence —				
Imprest accounts, standing advances and authorized loans	40,875,057	107,873,485	112,518,995	36,229,547
Other departments —				
Miscellaneous accountable advances	19,177,518	2,326,645	409,857	21,094,306
Miscellaneous accountable imprest funds and standing advances	20,011,572	11,931		20,023,503
	39,189,090	*2,338,576*	*409,857*	*41,117,809*
Total — Loans and accountable advances	139,370,356	296,747,827	290,240,267	145,877,916
Other —				
Agriculture and Agri-Food —				
Construction of multi-purpose exhibition buildings	35,593			35,593
Hog Industry Loan Loss Reserve Program	218,381,906		30,703,474	187,678,432
National Marketing Programs	282,021,158	61,919,317	66,050,861	277,889,614
	500,438,657	*61,919,317*	*96,754,335*	*465,603,639*
Citizenship and Immigration —				
Immigration loans	41,631,696	13,389,664	12,188,016	42,833,344
Employment and Social Development —				
Canada Apprentice Loans		30,498,389	11,689,599	18,808,790
Canada Student Loans Program	16,854,410,174	4,411,026,765	3,657,866,392	17,607,570,547
Provincial workers' compensation boards	13,060,001	547,000		13,607,001
	16,867,470,175	*4,442,072,154*	*3,669,555,991*	*17,639,986,338*
Finance —				
Canadian Commercial Bank	42,202,293			42,202,293
Financial Consumer Agency of Canada — Advances		10,000,000	6,000,000	4,000,000
	42,202,293	*10,000,000*	*6,000,000*	*46,202,293*
Fisheries and Oceans —				
Canadian producers of frozen groundfish	128,315			128,315
Haddock fishermen	1,343,337			1,343,337
	1,471,652			*1,471,652*
Foreign Affairs, Trade and Development —				
Support and development of trade (loans administered by Export Development Canada)	2,595,416,091	356,264,949	179,358,313	2,772,322,727

Table 9.15

Other Loans, Investments and Advances — *Concluded*

	April 1, 2014	Payments and other charges	Receipts and other credits	March 31, 2015
	$	$	$	$
Indian Affairs and Northern Development —				
Council of Yukon First Nations — Elders	3,250,136		781,081	2,469,055
Farm Credit Canada Guarantee Loans Program	103,695			103,695
First Nations in British Columbia	485,709,864	21,948,888	1,762,790	505,895,962
Indian Economic Development Fund	43,149			43,149
Indian Economic Development Guarantee Loans Program	521,974		99,847	422,127
Inuit Loan Fund	71,457			71,457
Native Claimants	438,427,614	16,499,617	10,270,740	444,656,491
On Reserve Housing Guarantee Loans Program	10,611,888		1,348,729	9,263,159
Stoney Band Perpetual Loan	389,615			389,615
	939,129,392	*38,448,505*	*14,263,187*	*963,314,710*
Industry —				
Manufacturing, processing and service industries in Canada	110,000,000			110,000,000
Other Business loans	64,048,107	66,374,591	52,459,505	77,963,193
National Research Council of Canada				
H.L. Holmes Fund	4,880,263	125,626		5,005,889
	178,928,370	*66,500,217*	*52,459,505*	*192,969,082*
Natural Resources —				
Nordion International Inc.	46,000,000		4,000,000	42,000,000
Public Works and Government Services				
Seized Property Working Capital Account	(730,886)	39,547,575	51,022,690	(12,206,001)
Transport				
Greater Victoria Harbour Authority	2,193,989		42,720	2,151,269
St. Lawrence Seaway Management Corporation	7,672	166,026		173,698
	2,201,661	*166,026*	*42,720*	*2,324,967*
Treasury Board				
Federal Public Service Heatlh Care Administration Authority	375,191	2,494,400	2,294,626	574,965
Joint Learning Program	333,438	1,640,732	1,346,148	628,022
	708,629	*4,135,132*	*3,640,774*	*1,202,987*
Veterans Affairs —				
Commonwealth War Graves Commission	55,290	1,086		56,376
Veterans' Land Fund —				
Advances	5,939		416	5,523
	61,229	*1,086*	*416*	*61,899*
Other departments				
Transition Payments — Pay in arrears		716,924,825	25,312,497	691,612,328
Miscellaneous	309,697	197,081	107,100	399,678
	309,697	*717,121,906*	*25,419,597*	*692,012,006*
Subtotal — Other	21,215,238,656	5,749,566,531	4,114,705,544	22,850,099,643
Less: portion expensed due to concessionary terms and other discounts	132,716,036	26,764,535	60,401,821	99,078,750
	21,082,522,620	5,722,801,996	4,054,303,723	22,751,020,893
Add: consolidation adjustment (1)	3,188,200,000		119,651,000	3,068,549,000
Total — Other	24,270,722,620	5,722,801,996	4,173,954,723	25,819,569,893
Total	26,494,760,892	6,387,844,895	4,636,795,085	28,245,810,702

(1) Additional information on consolidated Crown corporations and other entities is also provided in Section 4 of this volume.

Unconditionally repayable contributions

Unconditionally repayable contributions are, in substance loans, and are generally made to businesses pursuant to various Acts of Parliament, with various amounts outstanding.

These loans are aimed at stimulating economic development or for assistance. They bear various interest rates, some of which have concessional terms, and are repayable at various due dates with final instalments due within up to 10 years of initial disbursement.

Loans made on a long-term, low-interest or interest-free basis are recorded in part as expenses when the economic value of the loans is reduced due to their concessionary terms.

Missions abroad

Non-interest bearing advances have been made for interim financing of expenses at missions abroad, pending distribution to appropriations of Foreign Affairs and International Trade and other departments and agencies.

The total amount authorized to be outstanding at any time is $50,000,000.

Personnel posted abroad

A working capital advance account was established to finance loans and advances to employees posted abroad, including employees of other Government departments and agencies, as well as medical advances to locally-engaged staff.

The total amount authorized to be outstanding at any time is $38,200,000, as last amended by Foreign Affairs and International Trade Vote L12c, *Appropriation Act No. 5, 2009-2010*.

The closing balance consists of loans to employees, $17,157,599; advances for medical expenses, $1,178,907; advances for workmen's compensation, $3,907; security and other deposits under Foreign Service Directives, $2,196,350 and, school and club debentures, $1,976,010.

The loans to employees bear interest at rates from 0.75 percent to 5.0 percent per annum, and are repayable within 4 years, with final instalments between April 1, 2015 and March 1, 2019.

Imprest accounts, standing advances and authorized loans

This account was established for the purpose of financing: *(a)* public funds imprest and public funds advance accounts; *(b)* standing advances; *(c)* authorized loans and advances to employees posted abroad; and *(d)* authorized recoverable advances to establish military messes and canteens.

The total amount authorized to be outstanding at any time is $120,000,000, as last amended by National Defence Vote L11b, *Appropriation Act No. 4, 2001-2002*.

Miscellaneous accountable advances

The closing balance reflects amounts outstanding in the hands of departments, agencies and individuals, at year end, to be expended in the following year.

Miscellaneous accountable imprest funds and standing advances

This account is operated to provide imprest funds, accountable advances and recoverable advances to departments and agencies.

The total amount authorized to be outstanding at any time is $22,000,000.

Construction of multi-purpose exhibition buildings

The remaining loan has been made to finance the construction of a multi-purpose exhibition building.

Hog Industry Loan Loss Reserve Program

Loans made by financial institutions under the Hog Industry Loan Loss Reserve Program are partially guaranteed by the Crown. Where the producers have defaulted and the lenders have carried out regular collection activities, the Crown becomes subrogated to the lender's rights against the producer in default, to the extent of an amount equal to the withdrawal from the Reserve Fund.

National Marketing Programs

Loans made by financial institutions under the *Canadian Agricultural Loans Act* and advances made by producer organizations under the *Agricultural Marketing Programs Act* are guaranteed by the Crown. Where the guarantee is honoured, the Crown becomes subrogated to the financial institution's or producer organization's rights to outstanding principal, interest and costs.

Immigration loans

Section 88 of the *Immigration and Refugee Protection Act* authorizes the making of loans for the purpose of the Act.

The total amount authorized to be outstanding at any time is $110,000,000.

The terms and conditions of the loans, with their year-end balances, are as follows:

- *(a)* repayable by monthly instalments over 1 to 6 years, with a possible deferment of 2 years, bearing interest at rates from 1.26 percent to 9.06 percent per annum, with final instalments between April 1, 2015 and April 1, 2021, $42,821,964; and
- *(b)* repayable by monthly instalments over 1 to 6 years, with a possible deferment of 2 years, non-interest bearing, with final instalments past due, $11,380.

Canada apprentice loans

Canada apprentice loans are administrated under the authority of Section 4.1 of the *Apprentice Loans Act* which came into effect on January 2, 2015. The Minister of Employment and Social Development is authorized to enter into a loan agreement directly with any eligible apprentice. The loans bear interest at either a variable rate (prime rate plus 2.5 percent) or a fixed rate (prime rate plus 5.0 percent). Apprentices are not required to pay interest on their loans while they are still in their apprenticeship program. The maximum repayment period is 10 years and up to 15 years for borrowers who are eligible for assistance under the Repayment Assistance Plan.

The total amount of apprentice loans issued under the authority of the *Apprentice Loans Act* may not exceed $1.5 billion. The total amount of outstanding apprentice loans as at March 31, 2015 amounts to $18,808,790. During the year, no loans were written off.

Canada Student Loans Program

Since August 1, 2000, Canada Student Loans are issued under the Direct Loan Regime. Before this date, the loans were issued under the Guaranteed Loan Regime (1964-1995) or under the Risk-Shared Loan Regime (1995-2000). Under these three different regimes, no security is received from the students and the loans bear interest at either a variable rate (prime rate plus 2.5 percent) or a fixed rate (prime rate plus 5.0 percent). Students are not required to pay interest on their loans while they are still studying. The maximum repayment period is 10 years and up to 15 years for borrowers who are eligible for assistance under the Repayment Assistance Plan.

The total amount of direct loans issued under the authority of the *Canada Student Financial Assistance Act* and outstanding risk-shared loans bought-back by Employment and Social Development may not exceed nineteen billion dollars, except as otherwise provided by an Appropriation Act or other Act of Parliament.

During the year, loans and interest receivable on these loans totaling $287,430,643 (nil at March 31, 2014) were written off by Employment and Social Development Vote 7c from the *Appropriation Act No. 5, 2014-15* and $111,122,408 ($42,392,635 as at March 31, 2014) were written off pursuant to Section 25.1 of the *Financial Administration Act*. In addition, loans and interest receivable on these loans totalling $209,757,496 ($176,994,740 as at March 31, 2014) were forgiven as per the *Canada Student Financial Assistance Act* and $37,163 ($53,875 as at March 31, 2014) were forgiven as per the *Canada Student Loans Act*.

Direct loans to students

Loans issued on or after August 1, 2000 are administered under the authority of Section 6.1 of the *Canada Student Financial Assistance Act*, which authorizes the Minister of Employment and Social Development to enter into loan agreements directly with any qualifying student. Agreements are subject to the terms and conditions approved by the Governor in Council, on the recommendation of the Minister of Employment and Social Development with the concurrence of the Minister of Finance. The total amount of outstanding direct loans as at March 31, 2015 amounts to $17,340,771,357 ($16,515,558,301 as at March 31, 2014).

Risk-shared student loans

Loans issued prior to August 1, 2000 and on or after August 1, 1995 are amounts related to student loans subrogated to the Crown under the authority of the *Canada Student Financial Assistance Act*. The total amount of loans outstanding as at March 31, 2015 amounts to $96,701,249 ($124,375,035 as at March 31, 2014) for loans owned by Employment and Social Development and $1,086,269,018 ($1,192,987,376 as at March 31, 2014) for loans under the current ownership of the financial institutions.

Guaranteed student loans

Loans issued prior to August 1, 1995 are amounts related to student loans subrogated to the Crown under the authority of the *Canada Student Loans Act*. The total amount of loans outstanding as at March 31, 2015 amounts to $170,097,941 ($214,476,838 as at March 31, 2014) for loans owned by Employment and Social Development and $7,847,771 ($11,455,968 as at March 31, 2014) for loans under the current ownership of the financial institutions.

Provincial workers' compensation boards

This account is operated under the authority of subsection 4(6)(*b*) of the *Government Employees Compensation Act*, to provide funds to enable provincial workers' compensation boards to administer claims on behalf of the Crown, and provide compensation benefits to Canadian Government employees injured in the course of their employment.

The total amount of advances that is authorized to be made for each provincial workers' compensation board is not to exceed three months' disbursements for compensation.

The advances are non-interest bearing and are to be repaid on termination of agreements with provincial boards.

Canadian Commercial Bank

Advances have been made to the Canadian Commercial Bank representing the Government's participation in the support group as authorized by the *Canadian Commercial Bank Financial Assistance Act*. These funds represent the Government's participation in the loan portfolio that was acquired from the Bank and the purchase of outstanding debentures from existing holders.

Financial Consumer Agency of Canada

Interest-bearing advances have been made to defray the cost of operation of the Agency pursuant to Section 13(1) of the *Financial Consumer Agency of Canada Act*.

Canadian producers of frozen groundfish

Loans have been made to Canadian producers of frozen groundfish, canned and frozen crabmeat, and canned and frozen lobster meat, to assist in the financing of inventories.

The loans bore interest at the rate of 13 percent per annum, and were repayable in equal annual instalments over 7 years, with the final instalment in December 1987. These loans are deemed unrecoverable and parliamentary authority is required to write off the balance.

Haddock fishermen

Loans have been made to Nova Scotia haddock fishermen whose fishery was closed from February 1 to May 31, 1975, pursuant to an agreement under the International Agreement for the Northwest Atlantic Fisheries. The total loan authority is $1,650,000.

The loans bore interest at the rate of 8 percent per annum, and were repayable in equal annual instalments over 4 years, with the final instalment in 1979. These loans are deemed unrecoverable and parliamentary authority is required to write off the balance.

Support and development of trade

Pursuant to Section 23 of the *Export Development Act*, the Minister for International Trade, with the concurrence of the Minister of Finance, may authorize Export Development Canada (EDC) to enter into certain transactions or class of transactions where the Minister is of the opinion it is in the national interest and where EDC has advised the Minister that it will not enter into such transactions without such authorization. Funding for such transactions is provided by the Minister of Finance out of the Consolidated Revenue Fund and the transactions are administered by EDC on behalf of the Government of Canada.

Since 2009, EDC has been operating under broadened powers to help increase access to credit for Canadian companies by participating in domestic financing and insurance transactions with private-sector financial institutions, insurance providers and the surety industry. The government has since reviewed and assessed EDC's activities, and it has resulted in the drafting of new regulations which came into force on March 11, 2014 (the "New Regulations"). The New Regulations clarify the circumstances in which EDC can provide support within Canada. They also enable EDC to provide support for purely domestic transactions (financing, guarantees and insurance) to companies that have at least 50 percent of their total annual consolidated sales in export and foreign markets. During the year, no transactions were entered into in the support and development of domestic trade.

Loan transactions with longer repayment terms or low or zero interest rates are recorded in part as expenses when the economic value is reduced due to such concessionary terms.

Tables 11.4 and 11.5 (Section 11 of this volume) present additional information on contractual obligations and guarantees that are disclosed in the notes to the audited consolidated financial statements in Section 2 of this volume.

The following table presents the balances and transactions for loans made to non-sovereign entities, together with their terms and conditions of repayments.

		Payments and other charges		Receipts and other credits		
	April 1, 2014	Payments or other charges [1]	Revaluation	Receipts or other credits [2]	Revaluation	March 31, 2015
	$	$	$	$	$	$
Export Trade						
(a) 6 to 10 year term, 8.28 percent to 10.28 percent interest per annum, with final repayments between February 2008 and April 2011:						
Antigua	33,165		4,833			37,998
(b) 11 to 15 year term, comprised of several loans with fixed or variable interest rates currently ranging from 2.44 percent to 4.18 percent per annum, with final repayments between May 2021 and November 2022:						
Sweden	32,728,926		4,296,162	3,826,335		33,198,753
(c) 16 to 20 year term, comprised of several loans with fixed or variable interest rates currently ranging from 1.85 percent to 5.89 percent per annum, with final repayments between December 2017 and March 2023:						
United States	1,059,886,812		133,011,362	175,527,078		1,017,371,096
(d) Term loan, interest based on the higher of 2.0 percent or London Interbank Offered Rate (LIBOR), plus a range of rates from 3.0 percent to 8.0 percent interest per annum, with final repayments between June 2009 and July 2010:						
United States	1,502,495,902		218,952,592			1,721,448,494
Insurance claims paid during the year:						
United States	271,286				4,900	266,386
Subtotal	2,595,416,091		356,264,949	179,353,413	4,900	2,772,322,727
Less: portion expensed due to concessionary terms						
Total — Export Trade	2,595,416,091		356,264,949	179,353,413	4,900	2,772,322,727

Note: Final repayment dates may change if loan amounts are rescheduled or restructured.

(1) Payments or other charges may include transactions such as loans, adjustments, etc.

(2) Receipts or other credits may include transactions such as repayments, forgiveness, etc.

Council of Yukon First Nations — Elders

Loans have been made to the Council of Yukon First Nations to provide interim benefits to elderly Yukon Indians pending settlement of Yukon Indian land claims.

The terms and conditions of the loans are as follows:

- *(a)* loans made before an agreement-in-principle for the settlement of a claim is reached are non-interest bearing;
- *(b)* loans made after the date on which an agreement-in-principle for the settlement of a claim has been reached, bear interest at a rate equal to the rate established by the Minister of Finance in respect of borrowings for equivalent terms by Crown corporations; and
- *(c)* loans are due and payable, as to principal and interest, on the date on which the claim is settled or on a date fixed in the loan agreement or promissory note, whichever date is earlier.

All the loans outstanding at year end bear interest at rates from 2.28 percent to 6.00 percent per annum.

Farm Credit Canada Guarantee Loans Program

The Farm Credit Canada guarantee loans program was discontinued as of November 14, 1989. The last active loan guarantee has expired and no future loan guarantees will be given under this program.

As of March 31, 2015, the outstanding amount represents the remaining defaulted loans reimbursed to the lenders by the Minister. These loans are deemed unrecoverable and the balance will be written off in future years.

First Nations in British Columbia

Loans have been made to First Nations in British Columbia to support their participation in the British Columbia Treaty Commission process related to the research, development and negotiation of treaties.

During the year, loans were authorized by Indian Affairs and Northern Development Vote L21a, *Appropriation Act No.1, 2014-2015*.

The terms and conditions of the loans are as follows:

- *(a)* loans made before an agreement-in-principle for the settlement of a treaty is reached are non-interest bearing;
- *(b)* loans made before April 1, 2004 and after the date on which an agreement-in-principle for the settlement of a treaty has been reached, bear interest at a rate equal to the rate established by the Minister of Finance in respect of borrowings for equivalent terms by Crown corporations;
- *(c)* loans made between April 1, 2004 and March 31, 2015 and after the date on which an agreement-in-principle for the settlement of a treaty has been reached, shall be interest free, unless the loans become due and payable during this period; and
- *(d)* loans are due and payable by the First Nations and will pay the loan on the earliest of the following dates:
  - *i.* date on which the treaty is settled;
  - *ii.* twelfth anniversary of the first loan advance to the First Nations under the earliest First Nations' funding agreement;
  - *iii.* seventh anniversary after the signing of an agreement-in-principle; or
  - *iv.* date the federal minister demands payment of the loans due to an event of default under this agreement or under any First Nations' funding agreement.

The interest-bearing and non-interest bearing portions of the loans outstanding at year end are $16,426,105 and $489,469,857 respectively. Rates are from 1.0883 percent to 4.545 percent per annum for the interest-bearing portion.

Indian Economic Development Fund

Loans have been made for the purposes of economic development of Indians to Indians or Indian bands, or to individuals, partnerships or corporations, the activities of which contribute or may contribute to such development.

The total amount authorized to be outstanding at any time is $48,550,835, as last amended by Indian Affairs and Northern Development Vote 7b, *Appropriation Act No. 4, 1996-97*.

All outstanding loans bear interest at rates from 7 percent to 11.25 percent per annum.

Indian Economic Development Guarantee Loans Program

The Indian Economic Development Guarantee authority, established under Vote L53b, *Appropriation Act No. 1, 1970*, amended under P.C. 1977-3608, authorized the department to guarantee loans for Indian businesses on a risk-sharing basis with commercial lenders. The guarantee level is not to exceed at any time $60,000,000, less the total amount of payments made to implement previous guarantees under that authority.

Simple interest, usually based on a percentage plus the prime rate, will accrue on the debt after payout. All payments, including accrued interest, remain as a debt of the client until recovered in full.

Inuit Loan Fund

Loans have been made to individual Inuit or groups of Inuit to promote commercial activities and gainful occupations. Loans have also been made to co-operative associations, credit unions, caisses populaires or other credit societies incorporated under provincial laws, where the majority of members are Inuit, or to corporations incorporated under the laws of Canada, or provincial laws, where the controlling interest is held by Inuit.

The total amount authorized to be outstanding at any time is $6,633,697, as last amended by Indian Affairs and Northern Development Vote 37b, *Appropriation Act No. 4, 1995-96*.

The remaining loan bears interest at a rate of 5.50 percent per annum.

Native Claimants

Loans have been made to native claimants to defray the costs related to the research, development and negotiation of claims.

During the year, loans were authorized by Indian Affairs and Northern Development Vote L15, *Appropriation Act No. 1, 2014-2015*.

The terms and conditions of the loans are as follows:

(a) loans made before an agreement-in-principle for the settlement of a claim is reached are non-interest bearing;

(b) loans made after the date on which an agreement-in-principle for the settlement of a claim has been reached, bear interest at a rate equal to the rate established by the Minister of Finance in respect of borrowings for equivalent terms by Crown corporations; and

(c) loans are due and payable as to principal and interest on the date on which the claim is settled, or on a date fixed in the agreement.

The interest bearing and the non-interest bearing portions of the loans outstanding at year end are $62,599,041 and $382,057,450 respectively. Rates are from 1.46 percent to 11.89 percent per annum for the interest-bearing portion.

On Reserve Housing Guarantee Loans Program

On Reserve Housing guarantees provide needed support to Indian or Indian bands residing on reserves or Crown land. Reserves are, as such, non-mortgageable and the ministerial guarantee provides security to the lending institution in the event of a default by the client.

The total amount authorized to be outstanding at any time is $2.2 billion, as last amended by Indian Affairs and Northern Development Vote 7b, *Appropriation Act No. 4, 2008-2009*.

If a loan made under the Minister's guarantee goes into default, the lender has recourse to the Minister for reimbursement. In 1987, a reserve for losses of $2 million per annum was established within the department's reference levels to cover all Guarantee Loan Programs administered by Indian Affairs and Northern Development. Such payments remain a debt of the First Nation to the Crown and interest is accrued and capitalized on these debts at the contract interest rate applicable at the time the loan was assigned to the Minister. Recovery of the debt is made to the extent possible, from the security used as collateral, such as land claim funds, or through repayment agreements.

Stoney Band Perpetual Loan

In 1946, loans were made to Stoney Band of Alberta (Band) for land acquisition beyond their treaty entitlement.

A loan not exceeding $500,000 was made to purchase additional land. Under the terms of the agreement, as stated in Treasury Board Minutes, P.C. 2/1437 dated April 11, 1946, the Band assigned monies accruing to them, from the rental of their water resources, to provide interest payments at the rate of 3 percent annually on the amount of the loan that had actually been expended. In the same agreement, the Band resolved that the Department allots $200,000 to the Pekisko Group, and $300,000 for the additions to Morley Reserve.

Manufacturing, processing and service industries in Canada

This account records loans made to persons engaged or about to engage or assist in manufacturing, processing or service industries in Canada in order to promote the establishment, improvement, growth, efficiency or international competitiveness of such industries or to assist them in their financial restructuring.

Loans are authorized by Industry Vote L20, *Appropriation Act No. 2*. During the year, no loans were issued.

There is one remaining loan which is interest free unless it goes into default, and otherwise is repayable at maturity on April 1, 2017.

Other Business loans

This account records money owed to the Government by borrowers upon default of loans that are subject to statutory authorities, pursuant to the *Small Business Loans Act*, the *Canada Small Business Financing Act*, the capital leasing pilot project and the *Department of Industry Act*. These authorities provide for the payment of claims or the sharing of loan losses between lenders and the Government.

H.L. Holmes Fund

This account was established pursuant to paragraph 5(1)(*f*) of the *National Research Council Act* to record the residue of the estate of H.L. Holmes. Up to two thirds of the yearly net income from the fund shall be used to finance the H.L. Holmes Award on an annual basis. These awards will provide the opportunity to post-doctoral students to study at world famous graduate schools or research institutes under outstanding research persons.

Nordion International Inc.

A $100 million loan has been made to Nordion International Inc. for the construction of two nuclear reactors and related processing facilities to be used in the production of medical isotopes pursuant to an agreement reached on June 28, 1996 between MDS Health Group Ltd., Nordion International Inc. and Natural Resources Canada.

The secured loan is interest-free and fully repayable over 15 years commencing 42 months after the first loan drawdown was made. The final repayment is due on April 1, 2015.

Seized Property Working Capital Account

This account was established by Section 12 of the *Seized Property Management Act*. Expenses incurred, and advances made, to maintain and manage any seized or restrained property and other properties subject to a management order or forfeited to Her Majesty, are charged to this account. This account is credited when expenses and advances to third parties are repaid or recovered and when revenues from these properties or proceeds of their disposal are received and credited with seized cash upon forfeiture.

The total amount authorized to be outstanding at any time is $50,000,000.

Any shortfall between the proceeds from the disposition of any property forfeited to Her Majesty and the amounts that were charged to this account and that are still outstanding, is charged to a Seized Property Proceeds Account and credited to this account.

Greater Victoria Harbour Authority

The Victoria Harbour loan receivable relates to the sale of a parcel of Victoria Harbour land. A discount of $753,745 is recorded to reflect the concessionary nature of the loan.

The loan bears interest at the rate of 4.9 percent per annum, and is repayable over 15 years, with the final instalment on May 9, 2020.

St. Lawrence Seaway Management Corporation

This account was established by subsection 80(1) of the *Canada Marine Act*. Loans previously managed by the St. Lawrence Seaway Authority are now managed by the St. Lawrence Seaway Management Corporation in accordance with an agreement between the Department of Transport and the Corporation. The repayments of these loans are recorded in this account.

The loan bore interest at a rate of prime plus 2.0 percent per annum. The final instalment of the existing terms was anticipated for March 2013. During the year 2014, a reclassification was done to transfer the accumulated interest to the capital portion.

As of March 31, 2015, the remaining amount of this loan is deemed unrecoverable and parliamentary authority is required to write-off the balance.

Federal Public Service Health Care Administration Authority

The Federal Public Service Health Care Plan Administration Authority (referred to as the Administration Authority) was incorporated, without share capital, under subsection 7.2(1) of the *Financial Administration Act* effective May 1, 2007. Effective May 31, 2007, the assets and liabilities of the Public Service Health Care Plan (PSHCP) were transferred to the Government of Canada and to the Administration Authority as directed by the President of the Treasury Board of Canada and consistent with the Trust Agreement, which terminated May 31, 2007.

The Administration Authority is charged with the administration of the PSHCP. Its objective is to ensure that benefits and services to Plan members and their covered dependents, as defined in the PSHCP documentation, are delivered in a manner that ensures the effective and efficient administration of the PSHCP. Payments are made to the Administration Authority under Vote 20 and are authorized under the terms of reference of the funding agreement between the President of the Treasury Board and the Administration Authority. The funding agreement allows for the transfer of funds from the Treasury Board of Canada Secretariat to the Administration Authority in four quarterly instalments upon approval of the operating budget by the Secretary of the Treasury Board of Canada. These quarterly instalments are made in advance and actual expenses are recorded upon approval of the Administration Authority's Quarterly Financial Report.

Joint Learning Program

Advances have been made to the Public Service Alliance of Canada (PSAC) for the Joint Learning Program (JLP). Following the collective bargaining round of October 2004, 2008 and subsequently of 2010, a Memorandum of Understanding between the Treasury Board and PSAC was included in the collective bargaining agreements to provide funding for a JLP. The JLP is a negotiated partnership between PSAC and the Treasury Board of Canada Secretariat (TBS).The objective of the JLP is to improve labour relations in the public service. It is intended to provide joint union-management learning opportunities in areas where both parties have roles and responsibilities, and for which the Employer does not already have a legal obligation to provide training.

Payments are made to PSAC under Vote 20 and are authorized under the terms of reference of the Program. The terms of reference include the program costs, funding conditions, payment conditions, timelines, as well as a schedule of payments. The schedule of payments provides for a 3-month advance from TBS to PSAC to provide for program delivery costs. When actual expenses are reported every three months, the advance is reversed and the expenditure is recorded.

Commonwealth War Graves Commission

Advances have been made to the working capital fund of the Commonwealth War Graves Commission, to maintain graves and cemeteries.

At year end, the balance of the advances was 30,000 GBP. This balance was converted to Canadian dollars, using the year-end rate of exchange. The advances are non-interest bearing and have no fixed terms of repayments.

Veterans' Land Fund

Advances

Advances have been made, under Parts I and III of the *Veterans' Land Act*, for the acquisition of land, permanent improvements, removal of encumbrances, purchase of stock and equipment, and protection of security. The total amount authorized to be outstanding at any time is $605,000,000.

Allowance for conditional benefits

A provision equal to 1/10 of the benefits to veterans was established each year up to and including 1978-1979. Since that time, a forecast of requirements has been performed each year, and provisions are established as necessary. These provisions are charged to expenses and credited to the allowance for conditional benefits account. This account represents the accumulated net provisions for benefits to veterans in the form of forgiveness of loans authorized by the *Veterans' Land Act*. These benefits come into effect only after certain conditions are fulfilled by the veterans. At the end of 10 years, the conditions having been met, the accumulated provision is charged to the allowance for conditional benefits account, and credited to the veteran's loan account.

Other departments — Transition payments — Pay in arrears

During the year, a one-time payment was issued to employees as a result of the implementation of pay in arrears. This amount will be recovered from the employees upon their departure from the public service. The amount at year-end represents the balance to be recovered in the future.

Other departments — Miscellaneous

This account represents amounts outstanding in the hands of agencies and individuals, at year end. This group records loans, investments and advances not classified elsewhere.

Consolidation adjustment

The consolidation adjustment reflects the total loans, investments and advances held by consolidated Crown corporations and other entities. These mainly include investments such as bonds, money market funds and fixed income securities.

Allowance for Valuation

In accordance with the comprehensive policy on valuation, assets are subject to an annual valuation to reflect reductions from the recorded value to the estimated net realizable value.

The allowance for valuation, for loans, investments and advances, represents the estimated losses on the realization of the loans, investments and advances included in the accounts of Canada at year end.

Section 10

2014-2015

Public Accounts of Canada

Non-Financial Assets

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Non-Financial Assets

Non-financial assets are assets that have an economic life that extends beyond the accounting period and that are intended for consumption in the normal course of operations. They are converted into expense in future periods and include tangible capital assets, inventories, and prepaid expenses.

Tangible capital assets consist of acquired, built, developed or improved tangible assets, which are intended to be used on a continuous basis and are not intended for sale in the ordinary course of business. For financial reporting purposes, tangible capital assets are grouped in the following categories: land, buildings, works and infrastructure, machinery and equipment, vehicles, leasehold improvements, assets under construction, and assets under capital leases.

Inventories are items of tangible property that are to be used in the delivery of program outputs. Some revolving funds and a few departments may have inventories held for resale to parties outside the Government.

Prepaid expenses and other are disbursements made, pursuant to a contract, before the completion of the work, delivery of the goods or rendering of the service.

Table 10.1 presents the non-financial assets by category.

Table 10.1

Non-Financial Assets by category

(in thousands of dollars)

	March 31, 2015	March 31, 2014
Net tangible capital assets, Table 10.2		
Land	1,604,805	1,597,238
Buildings	14,414,181	12,716,397
Works and infrastructure	6,273,001	5,975,103
Machinery and equipment	9,313,628	9,876,404
Vehicles, Table 10.3	14,234,608	14,031,909
Leasehold improvements	1,205,890	1,186,224
Assets under construction	13,358,804	13,849,863
Assets under capital leases, Table 10.4	2,942,291	2,709,443
	63,347,208	*61,942,581*
Inventories	7,250,094	7,315,212
Prepaid expenses and other	4,031,737	1,174,639
Total	74,629,039	70,432,432

Chart 10A
Non-Financial Assets by category at March 31, 2015

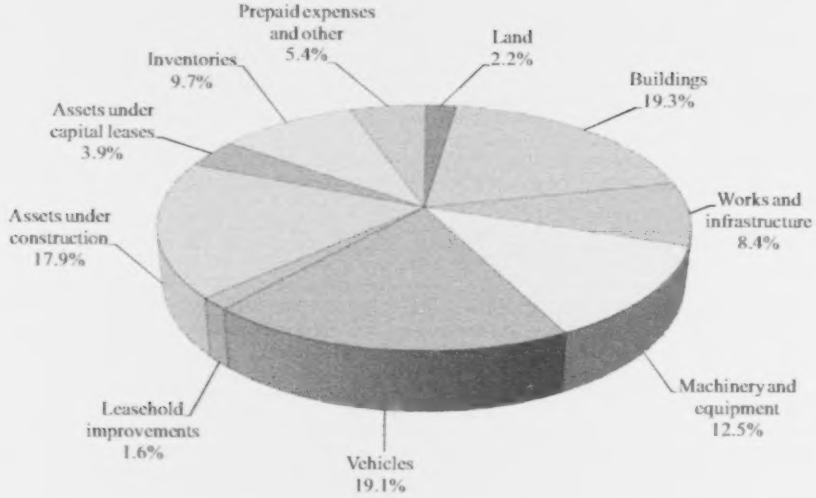
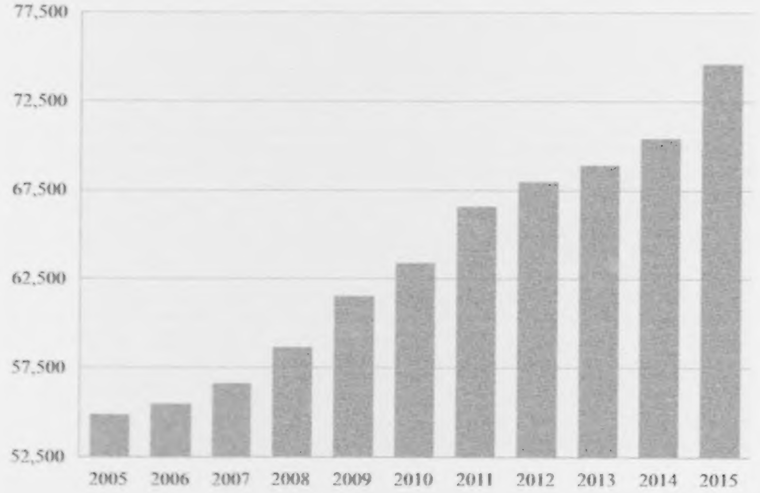


Chart 10B
Non-Financial Assets at March 31, 2015

(in millions of dollars)



Tangible Capital Assets

Table 10.2 presents tangible capital assets by main custodian ministries.

Table 10.2

Tangible Capital Assets by Main Custodian Ministries

(in thousands of dollars)

	Land	Buildings	Works and infrastructure	Machinery and equipment
Capital assets at cost				
Environment	201,752	1,055,085	2,999,096	869,384
Fisheries and Oceans	22,221	724,358	2,435,137	458,357
Foreign Affairs, Trade and Development	252,161	1,575,704	4,363	168,355
Industry	11,338	939,277	42,428	2,398,705
National Defence	88,008	10,340,969	2,504,086	21,013,433
Public Safety and Emergency Preparedness	81,307	4,260,561	764,624	1,698,559
Public Works and Government Services	247,345	5,286,760	1,189,719	1,696,738
Transport	257,260	825,431	2,673,032	224,055
Other ministries	45,371	1,635,587	85,942	3,399,878
	1,206,763	*26,643,732*	*12,698,427*	*31,927,464*
Consolidated Crown corporations and other entities	398,042	2,705,998	1,851,051	2,997,942
Gross total capital assets	1,604,805	29,349,730	14,549,478	34,925,406
Accumulated amortization				
Environment		720,459	1,847,136	592,944
Fisheries and Oceans		460,462	1,289,874	328,960
Foreign Affairs, Trade and Development		865,896	608	98,917
Industry		615,550	28,537	1,845,844
National Defence		4,016,659	1,383,236	15,575,157
Public Safety and Emergency Preparedness		1,875,339	443,206	1,241,093
Public Works and Government Services		3,437,251	529,699	1,267,382
Transport		562,526	1,923,677	163,452
Other ministries		1,182,755	41,636	2,263,377
		13,736,897	*7,487,609*	*23,377,126*
Consolidated Crown corporations and other entities		1,198,652	788,868	2,234,652
Total accumulated amortization		14,935,549	8,276,477	25,611,778
Total net capital assets				
Environment	201,752	334,626	1,151,960	276,440
Fisheries and Oceans	22,221	263,896	1,145,263	129,397
Foreign Affairs, Trade and Development	252,161	709,808	3,755	69,438
Industry	11,338	323,727	13,891	552,861
National Defence	88,008	6,324,310	1,120,850	5,438,276
Public Safety and Emergency Preparedness	81,307	2,385,222	321,418	457,466
Public Works and Government Services	247,345	1,849,509	660,020	429,356
Transport	257,260	262,905	749,355	60,603
Other ministries	45,371	452,832	44,306	1,136,501
	1,206,763	*12,906,835*	*5,210,818*	*8,550,338*
Consolidated Crown corporations and other entities	398,042	1,507,346	1,062,183	763,290
Total net capital assets	1,604,805	14,414,181	6,273,001	9,313,628

(1) Details can be found in Table 10.3.
(2) Details can be found in Table 10.4.

Vehicles [1]	Leasehold improvements	Assets under construction	Assets under capital leases [2]	Total March 31, 2015	Total March 31, 2014
147,743	40,869	259,025	39,370	5,612,324	5,521,862
2,103,601	502,751	326,128		6,572,553	6,378,142
59,167	252,966	213,569		2,526,285	2,460,809
33,975	70,577	977,756	64,491	4,538,547	4,304,303
32,608,691	67,396	7,999,315	852,325	75,474,223	73,504,926
704,578	180,569	1,062,818	16,265	8,769,281	8,322,496
10,629	922,063	1,444,311	2,820,428	13,617,993	12,950,293
715,458	27,253	90,323	818,820	5,631,632	5,779,900
143,285	754,833	322,428	92,297	6,479,621	6,184,017
36,527,127	*2,819,277*	*12,695,673*	*4,703,996*	*129,222,459*	*125,406,748*
1,095,199	296,791	663,131	157,342	10,165,496	9,561,542
37,622,326	3,116,068	13,358,804	4,861,338	139,387,955	134,968,290
102,141	33,037		15,798	3,311,515	3,290,697
1,443,193	338,132			3,860,621	3,706,355
31,245	129,514			1,126,180	1,124,537
22,851	39,653		26,255	2,578,690	2,445,728
20,118,365	28,211		577,110	41,698,738	39,961,380
407,344	95,574		3,509	4,066,065	3,850,065
7,123	532,135		1,011,963	6,785,553	6,507,298
576,044	16,449		146,023	3,388,171	3,516,008
97,403	505,516		19,658	4,110,345	3,746,796
22,805,709	*1,718,221*		*1,800,316*	*70,925,878*	*68,148,864*
582,009	191,957		118,731	5,114,869	4,876,845
23,387,718	1,910,178		1,919,047	76,040,747	73,025,709
45,602	7,832	259,025	23,572	2,300,809	2,231,165
660,408	164,619	326,128		2,711,932	2,671,787
27,922	123,452	213,569		1,400,105	1,336,272
11,124	30,924	977,756	38,236	1,959,857	1,858,575
12,490,326	39,185	7,999,315	275,215	33,775,485	33,543,546
297,234	84,995	1,062,818	12,756	4,703,216	4,472,431
3,506	389,928	1,444,311	1,808,465	6,832,440	6,442,995
139,414	10,804	90,323	672,797	2,243,461	2,263,892
45,882	249,317	322,428	72,639	2,369,276	2,437,221
13,721,418	*1,101,056*	*12,695,673*	*2,903,680*	*58,296,581*	*57,257,884*
513,190	104,834	663,131	38,611	5,050,627	4,684,697
14,234,608	1,205,890	13,358,804	2,942,291	63,347,208	61,942,581

Vehicles

Table 10.3 presents the details of vehicles by sub-category.

Table 10.3

Vehicles by sub-category

(in thousands of dollars)

	Cost	Accumulated amortization	March 31, 2015	March 31, 2014
Ships and boats	14,447,145	9,930,939	4,516,206	4,772,320
Aircraft	17,763,886	9,835,074	7,928,812	7,376,324
Motor vehicles (Non-Military)	2,190,959	1,471,235	719,724	723,341
Military vehicles	1,763,858	1,322,998	440,860	527,860
Other vehicles	1,456,478	827,472	629,006	632,064
Total	37,622,326	23,387,718	14,234,608	14,031,909

Assets under Capital Leases

Table 10.4 presents the details of assets under capital leases by main category.

Table 10.4

Assets under Capital Leases by main category

(in thousands of dollars)

	Cost	Accumulated amortization	March 31, 2015	March 31, 2014
Land	39,058		39,058	39,058
Buildings	3,021,341	1,121,319	1,900,022	1,694,537
Works and infrastructure	818,820	146,023	672,797	680,985
Machinery and equipment	285,039	148,273	136,766	60,711
Vehicles	697,080	503,432	193,648	234,152
Total	4,861,338	1,919,047	2,942,291	2,709,443

Section 11

2014-2015

Public Accounts of Canada

Contractual Obligations and Contingent Liabilities

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Contractual Obligations and Contingent Liabilities

This section contains detailed information related to contractual obligations and contingent liabilities.

Contractual Obligations

Government activities, by their nature, result in multi-year contracts and agreements, including various international treaties and protocols. Contractual obligations are financial obligations of the Government to others that will become liabilities when the terms of those contracts or agreements for the acquisition of goods and services or the provision of transfer payments are met. In the case of contractual obligations to international organizations, some will result in future budgetary expenses while others will result in non-budgetary payments.

Contractual obligations can be classified into four main categories: transfer payment agreements (grants and contributions), capital assets and purchases, operating leases and international organizations.

All outstanding contractual obligations of $10 million or more per project or per program at year end are reported for transfer payment agreements, capital assets, purchases and operating leases. For international organizations, all contractual obligations in excess of $1 million at year end are reported.

In accordance with the Government's significant accounting policies, the contractual obligations of consolidated Crown corporations are included with those of the Government.

Table 11.1 summarizes these contractual obligations. Details of the four types of contractual obligations can be found in other tables in this section.

Table 11.1
Contractual Obligations

(in millions of dollars)

	Transfer payment agreements	Capital assets and purchases	Operating leases	International organizations	Total
Information from:					
Transfer payment agreements, capital assets, purchases and operating leases, Table 11.3	38,662	57,010	3,024		98,696
International contractual obligations, Table 11.4				5,084	5,084
Total	38,662	57,010	3,024	5,084	103,780

Table 11.2 summarizes the information presented in Table 11.1 to indicate the minimum amounts required to satisfy contractual obligations each year from 2016 to 2020 inclusively, and a total for amounts due in the year 2021 and subsequently.

Table 11.2
Schedule of Minimum Payments

(in millions of dollars)

Minimum payments to be made in:	Transfer payment agreements	Capital assets and purchases	Operating leases	International organizations	Total
2016	15,572	8,989	390	1,709	26,660
2017	8,407	6,612	358	1,441	16,818
2018	5,739	6,304	327	392	12,762
2019	4,370	7,736	292	243	12,641
2020	2,216	8,412	246	121	10,995
2021 and subsequently	2,358	18,957	1,411	1,178	23,904
Total	38,662	57,010	3,024	5,084	103,780

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases

Table 11.3 provides details of contractual obligations that involve: transfer payment agreements, capital assets, purchases and operating leases. It discloses individual contractual obligations by category and by entity. Contractual obligations are summarized in Note 16 to the consolidated financial statements in Section 2 of this volume.

Transfer payment agreements are irrevocable contracts to provide funding to other levels of governments, organizations or individuals.

Capital assets are tangible, durable items of value, including major additions or alterations thereto, including military equipment and land, from which benefits are expected to be derived during their useful life.

Purchases are supported by contracts to supply goods or services. An operating lease is a lease in which the lessor does not substantially transfer all the benefits and risks incident to ownership of property to the lessee. Some leases have escalation clauses based on the consumer price index.

Table 11.3
Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subsequently
Transfer payment agreements —										
Agriculture and Agri-Food —										
AgriInnovation Program										
Aggregate	197	197	102	95	41	31	23			
AgriMarketing Program										
Aggregate	97	97	44	53	22	16	15			
Canadian Wheat Board Transition Costs										
Contribution agreement	62	62	4	58	2	1	2	2	2	49
Grant funding agreement	249	249	226	23	23					
Growing Forward 2 Contribution Agreement										
Government of Alberta	222	222	80	142	47	47	48			
Government of British Columbia	60	60	20	40	13	13	14			
Government of Manitoba	95	95	33	62	20	21	21			
Government of New Brunswick	20	20	7	13	4	4	5			
Government of Newfoundland and Labrador	20	20	7	13	4	5	4			
Government of Nova Scotia	20	20	7	13	4	4	5			
Government of Ontario	244	244	85	159	52	53	54			
Government of Prince Edward Island	20	20	7	13	4	5	4			
Government of Quebec	159	159	57	102	34	34	34			
Government of Saskatchewan	218	218	83	135	45	45	45			
	1,683	*1,683*	*762*	*921*	*315*	*279*	*274*	*2*	*2*	*49*
Canadian Heritage —										
Canada Arts Presentation Fund										
Aggregate	42	42	17	25	18	7				
Canada Arts Training Fund										
Aggregate	32	32	10	22	17	5				
Canada's National Ballet School	12	12		12	6	6				
Canada Music Fund										
La Fondation Musicaction	29	29		29	6	6	6	6	5	
The Foundation Assisting Canadian Talent on Recordings	43	43		43	9	8	9	8	9	
Development of Official-Language Communities Program										
Aggregate	127	127	55	72	34	22	16			
Council of Ministers of Education	120	120	48	72	24	24	24			
Government of Alberta	78	78	31	47	16	15	16			
Government of British Columbia	90	90	36	54	18	18	18			
Government of Manitoba	64	64	26	38	13	12	13			
Government of New Brunswick	117	117	46	71	24	24	23			
Government of Newfoundland and Labrador	22	22	9	13	4	4	5			
Government of Nova Scotia	41	41	17	24	8	8	8			
Government of Ontario	400	400	159	241	80	82	79			
Government of Quebec	263	263	66	197	67	65	65			
Government of Saskatchewan	34	34	14	20	7	6	7			

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Enhancement of Official Languages Program										
Aggregate	17	17	5	12	8	3	1			
Exchanges Canada Program										
Aggregate	32	32	17	15	14	1				
Historica Canada	13	13	2	11	4	3	4			
Hosting Program										
2017 Canada Summer Games Host Society	10	10		10	3	3	4			
Toronto Organizing Committee for the 2015 Pan American and Parapan American Games	368	368	334	34	34					
Museums Assistance Program										
Aggregate	15	15		15	7	8				
Sport Support Program										
Aggregate	22	22	11	11	11					
	1,991	*1,991*	*903*	*1,088*	*432*	*330*	*298*	*14*	*14*	
Citizenship and Immigration —										
Agreements with regards to the refugee Resettlement Assistance Program										
Aggregate	43	43	28	15	15					
Agreements with regards to Settlement and Integration services for newcomers										
Aggregate	1,423	1,423	858	565	556	9				
Toronto District School Board	16	16		16	16					
Provincial agreement on immigration matters and on the selection of foreign nationals wishing to settle in Canada										
Government of Quebec	2,384	2,384	340	2,044	341	341	340	341	340	341
	3,866	*3,866*	*1,226*	*2,640*	*928*	*350*	*340*	*341*	*340*	*341*
Economic Development Agency of Canada for the Regions of Quebec —										
Community Futures Program										
15 Community economic business development corporations	57	57	28	29	29					
Economic Development of Quebec Program										
Montréal International	25	25	5	20	4	4	3	2	2	5
Small and medium-sized enterprises (SME), SME groups and associations and non-profit organizations	398	398	172	226	146	61	19			
Société du Parc Jean-Drapeau	67	67	8	59	2	6	6	6	6	33
	547	*547*	*213*	*334*	*181*	*71*	*28*	*8*	*8*	*38*
Employment and Social Development —										
Aboriginal Skills and Employment Training Strategy										
Aggregate	1,139	1,139	936	203	203					
First Nations of Quebec and Labrador Health and Social Services Commissions	123	123	99	24	24					
First Peoples Development Inc	108	108	88	20	20					
Gabriel Dumont Training and Employment Inc	59	59	48	11	11					
Kativik Regional Government	37	37	25	12	12					
Manitoba Keewatinowi Okimakanak Inc	93	93	76	17	17					
Manitoba Metis Federation Inc	68	68	56	12	12					
Rupertsland Institute	77	77	63	14	14					
Saskatchewan Indian Training Assessment Group Inc	189	189	152	37	37					
Adult Learning, Literacy and Essential Skills Program										
Aggregate	37	37	12	25	13	7	5			

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subse-quently
Canada Job Fund										
Aggregate	19	19	3	16	3	3	3	3	4	
Government of Alberta	347	347	58	289	58	58	58	58	57	
Government of British Columbia	390	390	65	325	65	65	65	65	65	
Government of Manitoba	108	108	18	90	18	18	18	18	18	
Government of New Brunswick	63	63	10	53	11	10	11	10	11	
Government of Newfoundland and Labrador	44	44	7	37	7	8	7	8	7	
Government of Nova Scotia	79	79	13	66	13	13	13	13	14	
Government of Ontario	1,151	1,151	192	959	192	192	192	192	191	
Government of Prince Edward Island	12	12	2	10	2	2	2	2	2	
Government of Quebec	691	691	115	576	115	115	116	115	115	
Government of Saskatchewan	95	95	16	79	16	16	15	16	16	
Foreign Credential Recognition Program										
Aggregate	30	30	12	18	10	7	1			
Homelessness Partnering Strategy										
Aggregate	168	168	46	122	35	29	29	29		
Calgary Homeless Foundation	32	32	7	25	6	6	6	7		
City of Hamilton	21	21	4	17	4	4	5	4		
City of Ottawa	28	28	6	22	6	5	6	5		
City of Toronto	86	86	17	69	17	17	18	17		
City of Winnipeg	29	29	6	23	6	6	5	6		
Greater Vancouver Regional District	40	40	7	33	8	8	8	9		
Homeward Trust Foundation	32	32	6	26	6	7	6	7		
Labour Market Agreements for Persons with Disabilities										
Aggregate	20	20	5	15	5	5	5			
Government of Alberta	101	101	25	76	25	25	26			
Government of British Columbia	123	123	31	92	31	31	30			
Government of Manitoba	36	36	9	27	9	9	9			
Government of New Brunswick	24	24	6	18	6	6	6			
Government of Newfoundland and Labrador	18	18	4	14	5	5	4			
Government of Nova Scotia	33	33	8	25	8	8	9			
Government of Ontario	306	306	77	229	76	77	76			
Government of Quebec	184	184	46	138	46	46	46			
Government of Saskatchewan	44	44	11	33	11	11	11			
Labour Market Development Agreements										
Aggregate	22	22	10	12	12					
Government of Alberta	238	238	119	119	119					
Government of British Columbia	597	597	296	301	301					
Government of Manitoba	98	98	49	49	49					
Government of New Brunswick	197	197	98	99	99					
Government of Newfoundland and Labrador	259	259	123	136	136					
Government of Nova Scotia	178	178	89	89	89					
Government of Ontario	1,259	1,259	627	632	632					
Government of Prince Edward Island	56	56	28	28	28					
Government of Quebec	1,275	1,275	639	636	636					
Government of Saskatchewan	83	83	42	41	41					
Opportunities Fund for Persons with Disabilities										
Aggregate	52	52	30	22	21	1				
Canadian Association for Community Living	15	15	1	14	7	5	2			
The Sinneave Family Foundation	11	11		11	3	3	3	2		
Sectoral Initiatives Program										
Aggregate	58	58	22	36	25	11				
Social Development Partnerships Program										
Aggregate	27	27	13	14	12	2				
Targeted Initiative for Older Workers										
Aggregate	100	100	81	19	10	9				
Government of Ontario	75	75	58	17	9	8				
Government of Quebec	75	75	62	13	7	6				
Youth Employment Strategy										
Aggregate	209	209	56	153	146	4	2	1		
Skills / Compétences Canada	19	19	2	17	6	6	4	1		
	11,187	*11,187*	*4,832*	*6,355*	*3,571*	*874*	*822*	*588*	*500*	

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subse-quently
Environment —										
Nature Conservancy of Canada										
To administer the Natural Areas Conservation Program in support of the National Conservation Plan	*100*	*100*	*10*	*90*	*23*	*22*	*23*	*22*		
Foreign Affairs, Trade and Development —										
Canadian engagement for development										
Aggregate	793	793	650	143	65	41	28	9		
Aga Khan Foundation Canada	85	85	47	38	8	14	12	4		
Canadian Bureau for International Education	46	46	2	44	10	11	10	11	2	
Canadian Foodgrains Bank	14	14	3	11	2	3	3	3		
Développement international Desjardins	38	38	22	16	5	5	4	1	1	
The Jules and Paul-Émile Léger Foundation	17	17	4	13	4	3	3	3		
University of British Columbia	31	31	8	23	8	8	5	2		
Fragile states and crisis-affected communities										
Aggregate	193	193	139	54	47	5	1	1		
Canadian Red Cross	110	110	27	83	26	27	19	10	1	
Développement international Desjardins	20	20	5	15	5	4	3	2	1	
Federation of Canadian Municipalities	19	19	5	14	5	5	4			
Save the Children Canada	28	28	16	12	9	3				
World Vision Canada	31	31	10	21	12	9				
Global engagement and strategic policy										
Aggregate	33	33	12	21	12	5	4			
Canadian Foodgrains Bank	125	125	100	25	25					
Micronutrient Initiative	150	150	60	90		30	30	30		
Toronto Centre	20	20	8	12	4	4	4			
Low income countries										
Aggregate	305	305	224	81	36	28	13	4		
Agriteam Canada	37	37	16	21	7	5	5	3	1	
Alliance agricole internationale	20	20	7	13	4	3	3	3		
Canadian Bar Association	14	14	3	11	3	2	3	3		
Canadian Cooperation Society for International Development	12	12	2	10	3	3	2	2		
Canadian Hunger Foundation	20	20	9	11	2	4	5			
Centre de coopération internationale en santé et développement	20	20	1	19	4	5	5	5		
Colleges and Institutes Canada	42	42	4	38	8	10	10	7	3	
Consortium CECI / ENAP / Avocats sans frontières	20	20	1	19	3	3	5	8		
Consortium Cowater International / Plan International Canada Inc / McMaster University / CASN	18	18	7	11	6	5				
Consortium DID-FADQDI	18	18	1	17	2	5	10			
CRC Sogema Inc.	49	49	13	36	11	11	9	3	2	
Cuso International	27	27	9	18	4	6	5	3		
Dalhousie University	18	18	2	16	3	4	3	4	2	
Mennonite Economic Development Associates	43	43	14	29	8	7	8	5	1	
Micronutrient Initiative	30	30	15	15	10	5				
Partnership Africa Canada	16	16	1	15	3	4	4	4		
Plan International Canada	53	53	27	26	8	8	5	5		
Université Laval	19	19	2	17	2	3	5	5	2	
Middle income countries										
Aggregate	255	255	170	85	44	34	6			1
Agriteam Canada	102	102	53	49	17	14	12	5	1	
Canadian Cooperation Society for International Development	54	54	27	27	10	8	5	4		
Canadian Co-operative Association	15	15	4	11	5	4	1		1	
Canadian Hunger Foundation	19	19	7	12	5	4	3			
Colleges and Institutes Canada	37	37	22	15	9	5		1		
Consortium DID-FADQDI	15	15	5	10	5	2	3			
Consortium Save the Children & Norwegian Refugee Council	18	18	8	10	5	3	2			

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Consortium SOCODEVI / CECI / Université de Sherbrooke	13	13	3	10	4	3	3			
Cuso International	15	15	1	14	3	5	3	3		
Federation of Canadian Municipalities	71	71	30	41	10	11	10	7	3	
Mennonite Economic Development Associates	39	39	20	19	4	4	4	3	3	1
The Conference Board of Canada	39	39	21	18	9	3	3	3		
World University Service of Canada	16	16	2	14	5	4	3	2		
	3,242	*3,242*	*1,849*	*1,393*	*509*	*402*	*288*	*168*	*24*	*2*
Health —										
Department —										
Anti-Drug Strategy Initiatives										
Aggregate	53	52	17	35	20	13	2			
Blood Research and Development Program										
Canadian Blood Services	25	25	10	15	5	5	5			
Canada Brain Research Fund										
Brain Canada Foundation	100	100	32	68	20	48				
First Nations and Inuit										
Health Infrastructure Support										
Aggregate	421	421	242	179	81	47	32	13	6	
First Nations Health Authority	4,297	4,297	625	3,672	420	444	468	468	468	1,404
Primary Health Care										
Aggregate	1,169	1,169	686	483	231	121	74	37	20	
Government of the Northwest Territories (1 of 2)	26	26	10	16	5	5	6			
Government of the Northwest Territories (2 of 2)	46	46	18	28	9	10	9			
Whiskeyjack Treatment Centre Inc	14	14		14	3	3	3	3	2	
Supplementary Health Benefits										
Aggregate	180	180	117	63	47	10	4	2		
Government of Nunavut	96	96	65	31	31					
Government of the Northwest Territories	25	25	13	12	12					
Primary Health Care and Health Infrastructure Support										
Government of Nunavut	96	96	59	37	19	18				
Mohawks of Akwesasne	59	59	22	37	7	6	5	5	5	9
Northern Inter-Tribal Health Authority Inc	17	17	6	11	3	3	3	2		
Nunee Health Board Society	19	19	7	12	4	4	4			
Saskatoon Tribal Council Health and Family Services Inc	22	22	4	18	4	4	5	4	1	
Primary Health Care, Health Infrastructure Support and Supplementary Health Benefits										
Bigstone Health Commission	179	179	37	142	18	18	18	18	17	53
Blood Tribe Department of Health Inc	109	109	58	51	12	10	10	10	9	
Conseil de la Nation huronne-wendat	16	16	5	11	2	1	2	1	1	4
Fort Alexander Band O/A Sagkeeng First Nation	18	18		18	4	3	4	3	4	
Kahnawake Shakotiia'takehnhas Community Services	64	64	25	39	6	6	5	6	5	11
Lac La Ronge Indian Band	48	48	32	16	8	8				
Maskwacis Health Services	43	43	28	15	8	7				
Meadow Lake Tribal Council	79	79	51	28	14	14				
National Indian Brotherhood Assembly of First Nations	14	14	3	11	3	3	3	2		
Nisichawayasihk Cree Nation	11	11		11	2	2	2	2	3	
Norway House Cree Nation	26	26	16	10	4	3	3			
Onion Lake	17	17	5	12	4	3	2	3		
PADC Management Company Ltd	42	42	22	20	9	6	5			
Peguis First Nation	17	17		17	5	3	3	3	3	
Peter Ballantyne Cree Nation Health Services Inc	104	104	14	90	11	11	10	10	10	38
Siksika Health Services	45	45	27	18	6	6	6			
Stoney Tribes	17	17	7	10	3	4	3			

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31 2016	2017	2018	2019	2020	2021 and subsequently
Funding										
Canadian Agency for Drugs and Technologies in Health	81	81	33	48	16	16	16			
Canadian Institute for Health Information	317	317	238	79	79					
Canadian Partnership Against Cancer	241	241	146	95	48	47				
Canadian Patient Safety Institute	38	38	15	23	8	7	8			
Community Health and Social Services Network	20	20	6	14	5	5	4			
Health Care Policy Contribution Program	79	77	50	27	18	6	1	1	1	
Mental Health Commission of Canada	122	122	93	29	14	15				
McGill University	16	16	3	13	4	5	4			
Official Languages Health Contribution Program	53	53	12	41	14	14	13			
Société Santé en français Inc	26	26	7	19	7	6	6			
University of Ottawa	20	20	5	15	5	5	5			
Territorial Health Investment Fund										
Government of Nunavut	35	35	14	21	12	9				
Government of the Northwest Territories	18	18	7	11	6	5				
Government of Yukon	16	16	6	10	5	5				
Public Health Agency of Canada —										
Aboriginal Head Start Program	92	92	33	59	30	29				
Canada Prenatal Nutrition Program	79	79	26	53	26	27				
Community Action Program for Children	163	163	55	108	54	54				
Healthy Living Fund	14	14	3	11	5	3	2	1		
HIV / AIDS Contributions	66	66	22	44	22	22				
Innovation Strategy	16	16	5	11	6	4	1			
	9,026	*9,023*	*3,042*	*5,981*	*1,424*	*1,133*	*756*	*594*	*555*	*1,519*
Indian Affairs and Northern Development —										
Aboriginal Recipient Funding (First Nations and Tribal Councils)										
Alexander Band	40	40	9	31	8	8	8	7		
Atikamekw de Manawan	92	92	47	45	15	15	15			
Attawapiskat First Nation	32	32	22	10	10					
Bande des Innus de Pessamit	197	197	73	124	25	25	25	25	24	
Bande des Montagnais de Natashquan	23	23	12	11	5	6				
Bande Innue Essipit	30	30	13	17	3	3	3	3	3	2
Battlefords Agency Tribal Chiefs Inc.	54	54	43	11	11					
Beardy's & Okemasis Band	34	34	15	19	9	10				
Beaver Lake Cree Nation	14	14	4	10	3	4	3			
Berens River Band	14	14		14	7	7				
Big Island Lake Cree Nation	28	28	7	21	7	7	7			
Big River Band	53	53	43	10	10					
Bigstone Cree Nation	54	54		54	18	18	18			
Black Lake Band	41	41	11	30	10	10	10			
Blood Band	395	395	321	74	74					
Brokenhead Ojibway Nation	21	21	5	16	4	4	4	4		
Bunibonibee Cree Nation	66	66	47	19	19					
Campbell River Indian Band	13	13		13	3	2	3	2	3	
Chemawawin Cree Nation	31	31		31	10	10	11			
Chippewas of Nawash	24	24		24	5	5	4	5	5	
Clearwater River Dene Band	42	42	17	25	8	8	9			
Coldwater Indian Band	15	15	3	12	3	3	3	3		
Conseil de la Première Nation Abitibiwinni	24	24	6	18	4	5	4	5		
Conseil des Atikamekw de Wemotaci	81	81	36	45	9	9	9	9	9	
Conseil des Atikamekw d'Opitciwan	113	113	30	83	21	21	21	20		
Conseil des Montagnais du Lac St-Jean	144	144	120	24	24					
Constance Lake First Nation	22	22	5	17	4	4	4	5		

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Cote First Nation 366	18	18	7	11	6	5				
Cowessess Band	19	19		19	6	6	7			
Cowichan Tribes	103	103	24	79	20	20	20	19		
Cross Lake First Nation	169	169	35	134	34	33	34	33		
Cumberland House Cree Nation Band	30	30	7	23	6	6	6	5		
Dene Tha' Band	36	36	18	18	18					
Driftpile First Nation	41	41	17	24	8	8	8			
Eabametoong First Nation	44	44	11	33	8	8	8	9		
Elsipogtog First Nation	23	23		23	23					
Enoch Cree Nation # 440	33	33		33	8	8	8	9		
Ermineskin Tribe	107	107	70	37	19	18				
Esgenoopetitj First Nation	12	12		12	12					
Eskasoni Band Council	85	85	35	50	17	16	17			
Esk'Etemc	15	15	4	11	3	3	3	2		
Fisher River Band	85	85	69	16	16					
Fishing Lake First Nation Band	14	14	4	10	3	4	3			
Flying Dust First Nation	11	11		11	5	6				
Fond du Lac Band	28	28	7	21	7	7	7			
Fort Alexander Band	36	36		36	18	18				
Fort Severn First Nation	10	10		10	3	3	4			
Fort William First Nation	18	18	7	11	6	5				
Frog Lake Band	46	46	10	36	9	9	9	9		
Garden Hill First Nation	24	24		24	24					
Gitksan Local Services Society	123	123	84	39	19	20				
God's Lake First Nation	42	42	31	11	11					
Grassy Narrows First Nation	21	21	5	16	4	4	4	4		
Gwa'Sala-Nakwaxda'Xw Indian Band	15	15	4	11	3	3	3	2		
Haisla Nation	51	51	10	41	5	5	5	5	5	16
Hatchet Lake Band	41	41	11	30	10	10	10			
Heiltsuk Indian Band	69	69	58	11	11					
Hollow Water Band	13	13		13	7	6				
Innu Takuaikan Uashat Mak Mani-Utenam	168	168	141	27	27					
James Smith Band	30	30		30	8	7	8	7		
Kashechewan First Nation	42	42	31	11	11					
Kee Tas Kee Now Tribal Council	125	125	36	89	22	22	22	23		
Kitchenuhmaykoosib Inninuwug	26	26	10	16	8	8				
Kitigan Zibi Anishinabeg	127	127	54	73	12	12	12	12	12	13
Kwadacha Indian Band	25	25	7	18	4	5	4	5		
La Nation Anishinabe du Lac Simon	60	60	29	31	10	10	11			
Lac La Ronge Band	235	235	189	46	46					
Lac Seul First Nation	38	38	19	19	6	6	7			
Lake Babine Nation	50	50	11	39	10	10	10	9		
Lake Manitoba Band	27	27		27	7	7	7	6		
Lax Kw'Alaams Indian Band	81	81	59	22	22					
Lennox Island Band	22	22	11	11	4	4	3			
Listuguj Mi'Gmaq Government	44	44	19	25	13	12				
Little Grand Rapids Band	14	14		14	7	7				
Little Pine Band	21	21	5	16	5	5	6			
Little Red River Cree Nation	34	34		34	34					
Long Plain Band	62	62	50	12	12					
Makwa Sahgaiehcan First Nation Band	18	18		18	9	9				
Mathias Colomb Band	50	50	18	32	16	16				
M'Chigeeng First Nation	34	34		34	7	7	7	7	6	
Membertou Band Council	45	45	18	27	9	9	9			
Millbrook Band Council	41	41	18	23	8	7	8			
Ministikwan Lake Cree Nation	19	19	5	14	5	4	5			
Mishkeegogamang First Nation	19	19		19	4	4	4	4	3	
Misipawistik Cree Nation	11	11		11	3	3	3	2		
Mississauga First Nation	11	11		11	4	3	4			
Mississaugas of the New Credit First Nation	29	29	11	18	6	6	6			
Mltc Program Services Inc	100	100	84	16	16					
Mohawks Council of Akwesasne	64	64		64	32	32				
Mohawks of Kahnawa:Ke Band	403	403	168	235	39	39	39	39	39	40
Montana Band	12	12		12	4	4	4			
Montreal Lake Band	38	38	27	11	11					

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Moose Cree First Nation	65	65	53	12	12					
Moosomin Band	19	19	7	12	4	4	4			
Moricetown Indian Band	21	21		21	4	4	5	4	4	
Mosquito-Grizzly Bear's Head Band	19	19	6	13	4	5	4			
Mount Currie Indian Band	41	41	9	32	8	8	8	8		
Naotkamegwanning	30	30	6	24	6	6	6	6		
Naskapi Nation of Kawawachikamach	45	45	34	11	11					
Nation Huronne Wendat	123	123	32	91	11	12	11	12	11	34
Nipissing First Nation	43	43	9	34	9	8	9	8		
Nisichawayasihk Cree Nation	114	114	92	22	22					
North Peace Tribal Council	42	42	21	21	7	7	7			
Norway House Cree Nation	244	244		244	49	49	49	49	48	
Nuu-Chah-Nulth Tribal Council	131	131	60	71	24	24	23			
Nuxalk Nation Band	49	49		49	10	10	10	10	9	
O-Chi-Chak-Ko-Sipi First Nation	11	11		11	4	4	3			
Odanak	44	44	20	24	4	4	4	4	4	4
Okanagan Indian Band	29	29	8	21	5	5	5	6		
Old Massett Village Council Band	29	29	6	23	6	6	6	5		
Oneida Nation of the Thames	50	50	10	40	10	10	10	10		
Onion Lake Cree Nation	131	131	109	22	22					
Opaskwayak Cree Nation	138	138	114	24	24					
O-Pipon-Na-Piwin Cree Nation	16	16	6	10	5	5				
Pade Management Company Ltd	77	77	25	52	17	17	18			
Peguis Band	170	170	42	128	32	32	32	32		
Pelican Lake Band	35	35	7	28	7	7	7	7		
Peter Ballantyne Cree Nation	41	41		41	41					
Piapot Band	10	10		10	5	5				
Pic Mobert First Nation	14	14		14	3	3	3	3	2	
Pikangikum First Nation	71	71	48	23	12	11				
Pinaymootang First Nation	22	22	9	13	6	7				
Poplar River First Nation	15	15		15	8	7				
Poundmaker Band	23	23	6	17	6	5	6			
Pwi-Di-Goo-Zing Ne-Yaa-Zhing Advisory Services	21	21	4	17	4	4	4	5		
Red Earth Band	42	42	16	26	9	8	9			
Red Sucker Lake Band	27	27	10	17	8	9				
Saddle Lake Band	173	173	73	100	33	33	34			
Sagamok Anishnawbek First Nation	40	40	16	24	8	8	8			
Saint Mary's Band Council	54	54	43	11	11					
Samson Band	20	20		20	20					
Sandy Bay Band	36	36		36	18	18				
Sandy Lake First Nation	48	48	18	30	15	15				
Sapotaweyak Cree Nation	22	22	8	14	7	7				
Saugeen First Nation	27	27		27	5	6	5	6	5	
Seine River First Nation	14	14	4	10	3	2	3	2		
Shamattawa First Nation	55	55	44	11	11					
Shoal Lake Cree Nation	22	22	9	13	4	4	5			
Siksika Nation Band	204	204	167	37	37					
Six Nations of the Grand River	119	119	101	18	18					
Skownan First Nation	20	20		20	5	5	5	5		
Songhees First Nation	12	12		12	3	3	3	3		
Southeast Resource Development Council Corp	33	33	11	22	11	11				
Southern First Nations Secretariat	42	42		42	8	8	9	8	9	
Splatsin	20	20	5	15	4	4	4	3		
Squamish Indian Band	59	59	48	11	11					
St Theresa Point Band	86	86	60	26	26					
Standing Buffalo Band	27	27	16	11	5	6				
Sto:Lo Nation	24	24		24	5	5	5	5	4	
Stoney Band	18	18		18	18					
Sts'Ailes Band	23	23	5	18	4	5	4	5		
Sucker Creek Band	36	36	15	21	7	7	7			
Sunchild First Nation Band	12	12		12	6	6				
Swan Lake Band	26	26	13	13	4	5	4			
Swan River First Nation Band	21	21	9	12	4	4	4			

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subse-quently
Takla Lake First Nation	14	14	3	11	3	3	3	2		
Tataskweyak Cree Nation	33	33	17	16	16					
Timiskaming First Nation	29	29		29	6	6	6	6	5	
Tl'Etinqox-T'In Government Office	21	21	9	12	3	3	3	3		
Tootinaowaziibeeng Treaty Reserve	15	15		15	4	4	4	3		
Tribal Chiefs Ventures Incorporated	46	46	14	32	8	8	8	8		
Tsartlip Indian Band	36	36		36	9	9	9	9		
Tsay Keh Dene Band	13	13		13	3	2	3	2	3	
Tsuu T'Ina Nation Band	70	70	58	12	12					
Upper Nicola Indian Band	14	14	4	10	3	2	3	2		
Wabaseemoong Independent Nation	27	27	6	21	5	5	5	6		
Wasagamack First Nation	14	14		14	14					
Waycobah First Nation	24	24	10	14	5	4	5			
Waywayseecappo First Nation Treaty Four - 1874	30	30	15	15	15					
Webequie	27	27		27	5	6	5	6	5	
Western Cree Tribal Council	105	105	48	57	19	19	19			
Whitesand First Nation	15	15	3	12	3	3	3	3		
Wikwemikong Unceded Indian Reserve	100	100	40	60	20	20	20			
Williams Lake Indian Band	12	12		12	2	3	2	3	2	
Wunnumin Lake First Nation	20	20		20	4	4	4	4	4	
Yellowhead Tribal Development Foundation	36	36	7	29	7	7	7	8		
Aboriginal Recipient Funding (Other)										
Arctic Co-Operatives Ltd	32	32	12	20	10	10				
Awasis Agency of Northern Manitoba	19	19		19	19					
Cree Nation Child and Family Caring Agency	12	12		12	12					
Dakota Ojibway Child and Family Services	10	10		10	10					
Fédération des Coopératives du Nouveau Québec	24	24		24	8	8	8			
First Nations Financial Management Board	26	26	14	12	6	6				
First Nations Tax Commission	33	33	21	12	6	6				
Frontier School Division #48	26	26		26	26					
Island Lake First Nations Family Services	11	11		11	11					
Kanaweyimik Child & Family Services Inc.	15	15		15	5	5	5			
Kasohkowew Child and Wellness Society (2012)	21	21		21	21					
Lac La Ronge Indian Band Child and Family Services Agency Inc	27	27	7	20	7	6	7			
Mackenzie Valley Land and Water Board	12	12		12	2	3	2	3	2	
Makivik Corporation	104	104		104	21	21	20	21	21	
Manitoba First Nations Education Resource Centre Inc	42	42	28	14	3	4	3	4		
Mi'Kmaw Family & Children's Services of Nova Scotia	16	16		16	16					
Mltc Child & Family Services Inc	19	19		19	6	7	6			
Montreal Lake Child and Family Agency Inc	15	15	4	11	4	4	3			
National Association Friendship Centres	145	145	44	101	25	25	26	25		
Northern Nishnawbe Education Council	89	89	18	71	18	18	17	18		
Northland School Division # 61	11	11		11	11					
Nunavut Wildlife Management Board	50	50	35	15	15					
Onion Lake Family Services Inc	14	14		14	5	4	5			
Peter Ballantyne Child & Family Services Inc	55	55	14	41	14	13	14			
Southeast Child and Family Services	22	22		22	22					
Yukon Environmental Socio-Economic Assessment Board	29	29	6	23	6	6	6	5		
Yuthe Dene Sekwi Chu L A Koe Betsedi Inc	15	15		15	5	5	5			

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Funding Agreements for Provincial Governments and Territories										
Government of Yukon (1 of 2)	65	65	45	20	10	10				
Government of Yukon (2 of 2)	11	11	1	10	2	1	2	1	2	2
Horizon School Division No 205	26	26	14	12	4	4	4			
Minister of Finance - Alberta	17	17	4	13	1	2	1	2	1	6
Ministry of Community and Social Services, Ontario	1,212	1,212	246	966	241	242	241	242		
Province of British Columbia	149	149	120	29	29					
Grant										
Cree Nation Government	632	632	198	434	109	108	109	108		
Miawpukek Band	106	106	21	85	11	10	11	10	11	32
Mi'Kmaw Kina'Matnewey	216	216	168	48	48					
Nunatsiavut Government	211	211	117	94	23	24	23	24		
Indian Self-Government										
Carcross/Tagish First Nation	58	58	10	48	10	9	10	9	10	
Champagne & Aishihik First Nations	69	69	48	21	10	11				
First Nation of Nacho Nyak Dun	59	59	41	18	9	9				
Huu-Ay-Aht First Nations	43	43	22	21	3	3	3	4	4	4
Ka:'Yu:'K'T'H/Che:K:Tles7Et'H' First Nation	50	50	23	27	4	4	4	5	5	5
Kluane First Nation	48	48	21	27	5	6	5	6	5	
Kwanlin Dun First Nation	128	128	55	73	15	15	14	15	14	
Little Salmon/Carmacks First Nation	63	63	44	19	10	9				
Nisga'A Nation	493	493	353	140	69	71				
Sechelt Indian Band	56	56	20	36	7	7	7	7	8	
Selkirk First Nation	54	54	43	11	5	6				
Sioux Valley Dakota Nation	15	15		15	15					
Ta'An Kwach'An Council	44	44	19	25	5	5	5	5	5	
Teslin Tlingit Council	63	63	44	19	9	10				
Tr'Ondek Hwech'In	63	63	44	19	10	9				
Ucluelet First Nation	51	51	25	26	4	4	4	4	5	5
Vuntut Gwitchin First Nation	66	66	46	20	10	10				
Westbank First Nation	30	30	6	24	6	6	6	6		
Project										
First Nations Land Management Resource Centre Inc	18	18	7	11	6	5				
Aggregate of various transfer payment agreements under $10 million										
Aggregate	6,853	6,853	4,720	2,133	1,451	351	188	98	32	13
	21,063	*21,063*	*10,833*	*10,230*	*4,470*	*2,331*	*1,712*	*1,192*	*349*	*176*
Industry —										
Department —										
Automotive Innovation Fund										
Ford Motor Company of Canada Limited	72	72	52	20	18	1	1			
Linamar Corporation	51	51	4	47	15	20	12			
Broadband Canada: Connecting Rural Canadians Program										
Aggregate	53	53	37	16	16					
Canadian Institute for Advanced Research										
Linking Canadian researchers to the world	25	25	15	10	5	5				
Community Futures Program										
Aggregate	25	25	9	16	6	4	2	4		
Genome Canada										
Research competition in human health	60	60	47	13	8	5				
Northern Ontario Development Program										
Aggregate	103	103	46	57	29	24	4			

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Strategic Aerospace and Defence Initiative										
Aggregate	87	87	49	38	18	12	6	1	1	
CAE Inc	250	250	55	195	51	52	51	41		
Héroux-Devtek Inc.	49	49	20	29	13	16				
Magellan Aerospace Limited	43	43	24	19	7	6	6			
Pratt & Whitney Canada Corporation	300	300	45	255	75	64	64	52		
Wescam Inc.	75	75	5	70	14	16	15	16	9	
Mitacs Inc										
Delivery of industrial research and development internships	73	73	37	36	19	12	5			
Perimeter Institute for Theoretical Physics										
Research, training and education in theoretical physics	50	50	30	20	10	10				
Technology Demonstration Program										
Consortium for Aerospace Research and Innovation Canada	30	30	3	27	8	7	6	6		
Federal Economic Development Agency for Southern Ontario —										
Advanced Manufacturing Fund										
Baylis Medical Company Incorporated	15	15	3	12	4	3	3	2		
Community Futures Program										
Aggregate	21	21	6	15	7	4	2	2		
Eastern Ontario Development Program										
Aggregate	42	42	10	32	10	7	8	7		
Southern Ontario Prosperity Initiative										
Aggregate	147	147	39	108	63	26	13	6		
Canadian Manufacturers and Exporters	20	20	1	19	6	11	2			
Governing Council of the University of Toronto	20	20	1	19	5	5	5	4		
Sunnybrook Research Institute	20	20	3	17	5	4	4	4		
National Research Council of Canada —										
Canada Accelerator and Incubator Program										
Aggregate	71	71		71	19	19	19	14		
Industrial Research Assistance Program										
Aggregate	98	98		98	93	5				
Triumf										
Joint venture by a consortium of universities to manage the TRIUMF Facility in British Columbia	224	224	203	21	21					
	2,024	*2,024*	*744*	*1,280*	*545*	*338*	*228*	*159*	*10*	
Justice —										
Aboriginal Courtwork Program										
Aggregate	24	24	10	14	5	5	4			
Contribution to support the implementation of official languages requirements under the Contraventions Act										
Aggregate	16	16	4	12	4	4	4			
Legal aid services and systems										
Aggregate	87	87	52	35	17	18				
Government of Alberta	52	52	31	21	11	10				
Government of British Columbia	68	68	41	27	14	13				
Government of Ontario	217	217	130	87	43	44				
Government of Quebec	117	117	70	47	23	24				
Immigration and refugee legal aid component	59	59	36	23	12	11				

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Supporting Families Fund										
Aggregate	27	27	9	18	9	9				
Youth justice services										
Aggregate	31	31	12	19	6	6	7			
Government of Alberta	68	68	27	41	14	13	14			
Government of British Columbia	88	88	35	53	18	17	18			
Government of Manitoba	25	25	10	15	5	5	5			
Government of New Brunswick	19	19	8	11	4	4	3			
Government of Newfoundland and Labrador	20	20	8	12	4	4	4			
Government of Nova Scotia	25	25	10	15	5	5	5			
Government of Ontario	255	255	102	153	51	51	51			
Government of Quebec	146	146	58	88	29	29	30			
Government of Saskatchewan	30	30	12	18	6	6	6			
Intensive Rehabilitative Custody and Supervision Program	55	55	22	33	11	11	11			
	1,429	*1,429*	*687*	*742*	*291*	*289*	*162*			
Natural Resources —										
ecoENERGY for Biofuels — Support the production of renewable alternatives to gasoline and diesel										
Aggregate	265	265	238	27	20	7				
ecoENERGY for Renewable Power Program — Increase renewable power										
Aggregate	434	434	243	191	43	45	37	27	26	13
Ashlu Creek Investments Limited Partnership	26	26	13	13	3	2	3	2	3	
Bear Mountain Wind Limited Partnership	20	20	8	12	2	2	2	2	4	
Brilliant Expansion Power Corporation	47	47	30	17	5	5	7			
Brookfield Power Wind Prince LP	53	53	36	17	5	12				
Canadian Hydro Developers Inc	29	29	18	11	3	3	3	2		
Canadian Renewable Energy Corporation	49	49	28	21	5	5	5	5	1	
Caribou Wind Park Limited Partnership	29	29	13	16	3	3	3	3	4	
Cartier Énergie Éolienne Inc (CAR)	34	34	22	12	3	3	4	2		
Castle Rock Ridge Limited Partnership	23	23	6	17	2	3	2	3	2	5
Dokie General Partnership	33	33	13	20	3	3	3	4	3	4
Enbridge Ontario Wind Power LP	48	48	29	19	4	5	5	5		
Ghost Pine Windfarm LP	21	21	9	12	2	2	2	2	2	2
Glen Dhu Wind Energy Ltd	19	19	7	12	2	2	2	2	2	2
Harrison Hydro Limited Partnership (1 of 2)	35	35	19	16	3	4	3	4	2	
Harrison Hydro Limited Partnership (2 of 2)	25	25	11	14	3	2	3	2	3	1
Kruger Energy Chatham LP	31	31	13	18	3	3	3	3	3	3
Kruger Energy Port Alma LP	31	31	20	11	3	3	3	2		
Mont Louis Wind LP	31	31	12	19	3	3	3	3	3	4
Raleigh Wind Power Partnership	24	24	10	14	2	3	2	3	2	2
Saint-Ulric Saint-Léandre Wind LP	32	32	17	15	3	3	3	4	2	
St Joseph WindFarm Inc	42	42	17	25	4	4	4	5	4	4
Talbot Windfarm LP	30	30	12	18	3	3	3	3	3	3
Toba Montrose General Partnership	73	73	29	44	7	7	7	8	7	8
Western Sustainable Power Inc (1 of 3)	20	20	9	11	2	2	2	2	3	
Western Sustainable Power Inc (2 of 3)	18	18	8	10	2	2	2	2	2	
Western Sustainable Power Inc (3 of 3)	21	21	8	13	2	2	2	2	2	3
West Cape Wind Energy LP	24	24	13	11	2	3	2	4		
Weyerhaeuser Company Limited	32	32	13	19	3	3	4	3	3	3
ecoENERGY Innovation Initiative										
Aggregate	62	62	46	16	16					
Forest Innovation Program — Investing in Canada's Forest Sector										
FPInnovations	21	21		21	21					
Wind Power Production Incentive										
Aggregate	227	227	183	44	35	9				
	1,909	*1,909*	*1,153*	*756*	*222*	*158*	*124*	*109*	*86*	*57*

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subsequently
Office of Infrastructure of Canada —										
Border Infrastructure Fund										
Government of Quebec										
Highways 35, 55, 73 and 173, Phase I and II	147	147	112	35	12	9		14		
Building Canada Fund — Communities Component										
Aggregate	376	376	344	32	22	10				
Government of British Columbia	136	136	116	20	11	9				
Government of Ontario	362	362	307	55	41	14				
Government of Quebec	410	410	151	259	73	186				
Building Canada Fund — Major Infrastructure Component										
Aggregate	784	784	599	185	144	40	1			
City of Niagara Falls										
Niagara Burgoyne Bridge Replacement	18	18	7	11	11					
City of Ottawa										
Ottawa Light Rail Transit Project	600	600	245	355	145	120	26	64		
City of Toronto										
Union Station revitalization	133	133	76	57	25	32				
City of Toronto and Regional Municipality of York										
Toronto-York Spadina Subway extension	622	622	495	127	79	48				
City of Winnipeg										
Highway Plessis Road Underpass Project	25	25	12	13	10	3				
Convention Centre Corporation, Winnipeg Convention Centre										
Winnipeg Convention Centre expansion and renovations	47	47	35	12	12					
Corporation of the City of London										
Huron Elgin London Clean Water Project	50	50	35	15	4	11				
Corporation of the City of Victoria										
Johnson Street Bridge replacement	21	21	10	11	8	3				
Government of Alberta										
Royal Alberta Museum	113	113	31	82	41	30	11			
Government of British Columbia										
Evergreen Line Project	340	340	144	196	65	131				
Highway 1: Pritchard to Hoffman's Bluff	26	26	6	20	14	6				
Transit Improvement Initiative	48	48	18	30	13	17				
Government of Nova Scotia										
Highway 103: Broad River to Port Joli	17	17	6	11	7	4				
Government of Ontario										
Eastern Ontario Regional Broadband Network	55	55	35	20	14	6				
Government of Quebec										
Baie-Comeau Water Treatment Project	20	20		20	2	18				
Jean R. Marcotte Wastewater Treatment Facility	64	64	1	63	7	56				
Laval Drinking Water Treatment Plant	47	47	19	28	8	20				
Montreal Combined Sewer Overflow Project	49	49		49	3	46				
Outremont Switching Yard Project	30	30	5	25	4	21				
Quartier des Spectacles of Montréal	40	40	22	18	10	8				
Quebec National Museum of Fine Arts	34	34	21	13	13					
Trois-Rivières Amphitheatre	13	13		13	13					

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Joseph and Wolf Lebovic Jewish Community Campus										
Jewish community campus	15	15	5	10	3	7				
Metrolinx										
GO Transit Improvement Program	250	250	224	26	26					
Regional Municipality of Niagara										
Niagara-on-the-Lake Wastewater Treatment Project	14	14		14	5	5	1	3		
Regional Municipality of Waterloo										
Waterloo Rapid Transit	265	265	11	254	150	74	9	21		
The River Valley Alliance										
Capital Region River Valley Park, Connectivity Phase	30	30		30	13	15	2			
Wilfrid Laurier University										
Laurier Brantford YMCA	17	17		17	8	9				
Canada Strategic Infrastructure Fund										
Aggregate	865	865	813	52	37	10	5			
City of Winnipeg										
Winnipeg Wastewater Treatment	42	42	13	29	10	12	7			
Corporation of the City of Brampton										
Brampton Züm Phase II Project	42	42	11	31	12	8	11			
Government of Alberta										
Highway 63	150	150	136	14	14					
Government of Quebec										
Highways 35, 50, 185, Dorval Interchange and 185 Phase II	445	445	341	104	12	18	9	65		
Shortline Rail	30	30	19	11	11					
Greater Toronto Transit Authority										
GO Transit Rail Infrastructure Improvements	385	385	299	86	36	35	15			
Metrolinx	46	46	8	38	12	17	9			
Mont Tremblant Resorts & Co	37	37	19	18	18					
Regional Municipality of York										
York Region Transit VIVA, Phase II	85	85	71	14	5	9				
Green Infrastructure Fund										
Aggregate	119	119	101	18	12	3	3			
Corporation of the City of Owen Sounds										
Sewage upgrade	15	15	3	12	8	3	1			
Ministry of Sustainable Development, Environment and the Fight against Climate Change										
Biomethanation in Longueuil	22	22		22	3	3	11	5		
Biomethanation in Quebec City	17	17		17		2	3	12		
Biomethanation in Saint-Hyacinthe	11	11		11	2	1	8			
Provincial-Territorial Base Funding										
Government of Alberta	175	175	162	13		13				
Government of Manitoba	175	175	165	10	10					
Government of New Brunswick	175	175	162	13	13					
Government of Newfoundland and Labrador	175	175	125	50	50					
Government of Nova Scotia	175	175	160	15		15				
Government of Ontario	175	175	157	18	18					
Government of Quebec	175	175	150	25	25					
Government of Saskatchewan	175	175	165	10	10					

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Provincial-Territorial Infrastructure Component										
Government of Saskatchewan										
National Regional Highway Projects	26	26	8	18	9	6	2	1		
Provincial-Territorial Infrastructure Component — Small Communities Fund										
Government of Alberta	94	94		94	3	22	22	22	25	
Government of British Columbia	109	109		109	2	5	15	20	20	47
Government of Manitoba	47	47		47	5	4	5	5	10	18
Government of New Brunswick	39	39		39	5	5	5	5	5	14
Government of the Northwest Territories	26	26		26	3	3	3	3	3	11
Government of Nova Scotia	43	43		43	2	2	3	6	6	24
Government of Nunavut	26	26		26		3	3	3	4	13
Government of Ontario	272	272		272	29	60	81	64	30	8
Government of Prince Edward Island	28	28		28	6	3	2	3	3	11
Government of Yukon	26	26		26	1	10	10	5		
Government of the Northwest Territories										
Inuvik to Tuktoyaktuk Highway	200	200	79	121	66	11	44			
	9,865	*9,865*	*6,259*	*3,606*	*1,465*	*1,241*	*327*	*321*	*106*	*146*
Public Safety and Emergency Preparedness —										
Department —										
First Nations Policing Program										
Aggregate	85	85	24	61	22	20	19			
Cree Regional Authority	35	35	8	27	9	9	9			
Dakota Ojibway Tribal Council Inc	15	15	4	11	4	4	3			
Kativik Regional Government	36	36	9	27	9	9	9			
Treaty Three Police Service Board	26	26	6	20	7	6	7			
Safer Communities Initiative										
Aggregate	123	123	40	83	24	21	21	14	3	
Royal Canadian Mounted Police —										
Canadian Firearms Program										
Aggregate	46	46	32	14	14					
	366	*366*	*123*	*243*	*89*	*69*	*68*	*14*	*3*	
Transport —										
Department —										
Airports Capital Assistance Program										
Aggregate	42	42	12	30	30					
Town of Peace River	11	11		11	11					
Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund										
Aggregate	183	183	143	40	40					
Government of Alberta	75	75	51	24	22	2				
Contribution for Ferry and Coastal Passenger and Freight Services										
Northumberland Ferries Limited (between Woods Islands, Prince Edward Island and Caribou, Nova Scotia)	22	21	10	11	11					
Gateways and Border Crossings Fund										
Aggregate	210	210	192	18	18					
Government of Manitoba	52	52	25	27		10	17			
Government of Ontario	764	764	328	436	398	38				
Saint Mary's River Bridge Company	52	52	16	36	10	18	5	3		

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subsequently
Ocean Networks – Smart Oceans Contribution Program										
Ocean Networks Canada	20	20	4	16	7	9				
Outaouais Roads Agreement										
Quebec Ministry of Transportation	154	154	142	12		1	7	1	3	
Provision of Ferry, Coastal Freight and Passenger Services in British Columbia										
British Columbia Ministry of Transportation and Infrastructure	608	608	430	178	29	29	30	30	30	30
Regional and Remote Passenger Rail Services										
Aggregate	15	15	4	11	4	3	4			
Tshiuetin Rail Transportation Inc	30	30	8	22	8	7	7			
	2,238	*2,237*	*1,365*	*872*	*588*	*117*	*70*	*34*	*33*	*30*
Western Economic Diversification —										
Community Futures Program										
Aggregate	77	77		77	28	25	24			
Western Diversification Program										
Aggregate	82	82		82	55	22	5			
Women's Enterprise Initiative										
Aggregate	11	11		11	3	4	4			
Rick Hansen Foundation										
Spinal cord injury research and care programs, initiatives and networks	35	35	15	20	7	7	6			
The Governors of the University of Calgary										
Develop and implement an International Policy Program	15	15	4	11	2	1	2	1	5	
	220	*220*	*19*	*201*	*95*	*59*	*41*	*1*	*5*	
Subtotal	70,756	70,752	34,020	36,732	15,148	8,063	5,561	3,567	2,035	2,358
Consolidated Crown Corporations and Other Entities —										
Canada Council for the Arts —										
Grants	*133*	*133*		*133*	*83*	*50*				
Canada Foundation for Innovation —										
Grants	*6,521*	*6,067*	*5,559*	*508*	*239*	*139*	*57*	*52*	*21*	
International Development Research Centre —										
Development Innovation Fund Program	*220*	*220*	*166*	*54*	*44*	*10*				
PPP Canada Inc.										
P3 Canada Fund	*1,259*	*1,259*	*24*	*1,235*	*58*	*145*	*121*	*751*	*160*	
Subtotal	8,133	7,679	5,749	1,930	424	344	178	803	181	
Total transfer payment agreements	**78,889**	**78,431**	**39,769**	**38,662**	**15,572**	**8,407**	**5,739**	**4,370**	**2,216**	**2,358**

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Capital assets and purchases —										
Capital assets —										
Environment —										
Nuna East Ltd										
Eureka Runway Reconstruction, Eureka Ellesmere Island, Nunavut	*11*	*11*	*1*	*10*	*5*	*5*				
Fisheries and Oceans —										
Bell Helicopter Textron Canada Limited										
Acquisition of helicopters for the Canadian Coast Guard —										
Light-lift helicopters	173	173	19	154	154					
Medium-lift helicopters	138	138		138	13	55	70			
Chantier Davie Canada Inc										
Vessel life extension of the CCGS Earl Grey	12	12		12	12					
Vancouver Shipyards Co Ltd										
Acquisition of Offshore Fisheries Science Vessels —										
Marine architecture and engineering services	41	41	26	15	15					
Purchase of long lead items	61	61	7	54	54					
	425	*425*	*52*	*373*	*248*	*55*	*70*			
Industry —										
Canadian Space Agency —										
MacDonald, Dettwiler and Associates Ltd										
Scientific activities for the construction of Radarsat - Constellation (3 satellites)	*716*	*716*	*308*	*408*	*174*	*106*	*59*	*65*	*4*	
National Defence —										
Department —										
Aecon Atlantic Group / SNC-Lavalin Construction (Atlantic) in Joint Venture										
Consolidate training and support facilities, Canadian Forces Base Halifax	76	73	22	51	39	12				
Almiq Contracting Ltd										
Arctic/Offshore Patrol Ships	80	69	23	46	20	25	1			
Boeing, Ridley Park, Pennsylvania										
15 Medium to Heavy Lift Helicopters (Chinooks)	1,242	1,242	1,225	17	16	1				
Bondfield Construction Company Limited										
Construction of Hangar 6, Trenton, Ontario	100	88	75	13	13					
Bonnechere Excavating Inc										
Medium to Heavy Lift Helicopter Project, Infrastructure support, Petawawa, Ontario	233	226	216	10	10					
CAE Inc										
Aircrew operational training services in support of the CC-130J and CH147F aircrafts	303	303	260	43	29	14				

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Carillion Canada Inc										
Seismic retrofit at Seaforth Armoury and relocation of Jericho Beach units, Vancouver, British Columbia	48	47	37	10	10					
Dialog Ontario Inc, Graham Construction and Engineering LP										
Design and construct new Integrated Healthcare Services Centre CFB Borden, Angus, Ontario	22	20	10	10	10					
DEW Engineering and Development ULC										
Special Equipment Vehicle	228	228	188	40	23	17				
EADS Deutschland GBMH, Ulm, Germany										
Area Surveillance and Secondary Surveillance Radar	67	67	13	54	27	27				
EllisDon Corporation (Ottawa), J.L. Richard & Associates (Ottawa), Marshall & Murray Inc										
Upgrade Sawyer Complex, CFB Kingston, Ontario	150	136	107	29	20	2	7			
EllisDon Kinetic - Joint Venture										
Design and construct maintenance facility, CFB Esquimalt, British Columbia	220	213	86	127	58	53	16			
General Dynamics Canada Ltd										
CP-140 Aurora Data Management System Project	426	426	413	13	13					
Land Command Support System Engineering and Integration Long Term Support Contract	750	620	587	33	28	5				
General Dynamics Land Systems Canada										
Light Armoured Vehicle III Upgrade Implementation Contract	1,271	1,049	573	476	280	170	26			
Light Armoured Vehicle: Reconnaissance Surveillance Suite	359	254	15	239	34	80	115	10		
Irving Shipbuilding Inc, Halifax, Nova Scotia										
Arctic Offshore Patrol Ship Build Contract	2,743	2,270	63	2,207	263	375	388	424	422	335
Arctic Offshore Patrol Ship Definition Contract	237	233	191	42	42					
Israel Ministry of Defence										
The Stand-Off Direction System	40	40	21	19	13	6				
Lockheed Martin Canada										
Combat Systems Integration	1,489	1,473	1,271	202	140	44	8	10		
Lockheed Martin Corporation, United States										
Aurora Structural Life Extension Project	266	264	186	78	6	35	37			
Purchase of 17 C130J-30 aircrafts	2,470	2,415	2,213	202	167	35				
MacDonald Dettwiler and Associates Ltd										
CP-140 Aurora Aircraft Imaging Radar Acquisition Project	315	315	259	56	26	21	9			
Raytheon Canada Limited										
Repair, overhaul and conversion of radar equipment, Calgary, Alberta	181	181	134	47	10	10	9	7	11	
Rheinmetall Landsysteme GmbH										
Armoured Recovery Vehicle conversion and integrated logistic support, Saint-Jean-sur-Richelieu, Quebec	85	83	47	36	34	2				

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subsequently
Rounthwaite, Dick & Hadley Architects, Carillion Canada Inc										
Canadian Forces School of Electrical and Mechanical Engineering Consolidation Project — design and construct building, Borden, Ontario	38	35	24	11	11					
Sikorsky International Operations Inc Stratford, United States										
Acquisition of 28 maritime helicopters	1,883	1,883	991	892	171			149	149	423
Textron Systems Canada Inc										
Tactical Armoured Patrol Vehicle acquisition contract	609	609	44	565	4	356	205			
Thales Canada Inc										
Land Command Support System Software Long Term Support Contract	350	280	256	24	14	10				
Tactical Control Radar Modernization	52	52	2	50		25	25			
United States Department of the Air Force										
Directed Infra-Red Counter Measures	83	83	31	52	17	17	18			
United States Department of the Navy										
Advanced Distributed Combat Training System CF-18 Modernization	25	25	14	11	2	9				
Protected Military Satellite Communications	105	104	61	43	11	11	11	10		
OFP Software Support	27	27	14	13	1					12
Vancouver Shipyards Co. Ltd										
Joint support ship, initial design review contract	23	23	11	12	12					
	16,596	*15,456*	*9,683*	*5,773*	*1,574*	*1,362*	*875*	*610*	*582*	*770*
Public Safety and Emergency Preparedness —										
Royal Canadian Mounted Police —										
City of Chilliwack										
Chilliwack Firing range (1)	*18*	*18*	*11*	*7*	*4*	*1*	*1*		*1*	
Public Works and Government Services —										
Department —										
8424934 Canada Inc										
Public Service Pay Centre lease, Miramichi, New Brunswick (1)	70	70		70		2	5	2	3	58
Construction Demathieu & Bard Inc										
Latchford dam replacement, Ontario	26	26		26	13	13				
East Block Rehabilitation of the Exterior of the Original 1867 Wing, Ottawa, Ontario										
Aggregate	167	25	14	11	10	1				
EBC Inc										
Big Chaudière dam replacement, Dokis, Ontario	13	13	2	11	11					
EllisDon Corporation										
Canadian High Arctic Research Station (CHARS), Cambridge Bay, Nunavut	103	103	21	82	36	28	18			
Government Conference Centre, Ottawa, Ontario										
Aggregate	191	21	11	10	10					
PCL Constructors Canada Inc	78	78	7	71	30	41				

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subsequently
IBM Canada Ltd										
Transformation of Pay Administration	125	95	77	18	18					
North Alaska Highway maintenance and repair services, British Columbia										
Aggregate	101	101	73	28	14	7	6	1		
North America Construction (1993) Ltd										
Timiskaming dam replacement, Long Sault Island, Ontario	21	21	2	19	14	5				
Pomerleau Inc										
Construction for Macdonald-Cartier bridge, Ottawa-Gatineau	30	30	17	13	13					
Pomerleau Inc, Investissements Immobiliers Kevlar Inc										
Quebec Tax Services Office, 2575 Sainte-Anne Boulevard, Québec [1]	44	44		44	2	2	3	2	2	33
Société d'habitation et de développement de Montréal										
National Film Board of Canada lease, Quartier des spectacles, Montréal, Quebec [1]	65	65		65		3	3	3	3	53
Wellington Building Renovation										
Ottawa, Ontario	425	361	286	75	74	1				
West Block Program										
Ottawa, Ontario	1,171	929	604	325	133	148	41	3		
Wild Stone Engineering Ltd										
Inuvik RCMP Building, Northwest Territories	19	19	6	13	12	1				
	2,649	*2,001*	*1,120*	*881*	*390*	*252*	*76*	*11*	*8*	*144*
Subtotal	20,415	18,627	11,175	7,452	2,395	1,781	1,081	686	595	914
Consolidated Crown Corporations and Other Entities —										
Canadian Air Transport Security Authority —										
Aéroports de Montréal	19	19	1	18	6	12				
Greater Toronto Airports Authority	83	83	15	68	54	11	3			
The Calgary Airport Authority	14	14		14	3	4	1	3	3	
Vancouver International Airport Authority	115	115	44	71	8	13	22	24	4	
	231	*231*	*60*	*171*	*71*	*40*	*26*	*27*	*7*	
VIA Rail Canada Inc. —										
CAD Railway Industries										
Repair and modernize up to a maximum of 98 LRC cars	*24*	*24*	*14*	*10*	*10*					
Subtotal	255	255	74	181	81	40	26	27	7	
Total capital assets	20,670	18,882	11,249	7,633	2,476	1,821	1,107	713	602	914

Table 11.3
Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subsequently
Purchases —										
Citizenship and Immigration —										
Canadian Bank Note Company Ltd										
Purchase of passport materials	137	137	100	37	37					
VF Worldwide Holdings Limited										
Global Network of Visa Application Centres including Biometric collection functions	47	47	10	37	12	17	8			
	184	*184*	*110*	*74*	*49*	*17*	*8*			
Employment and Social Development —										
Accenture Inc										
Mainframe Legacy Application Migration Project	40	40	4	36	26	8	2			
Quantum Management Services Ltd										
Provide and manage a team of information centre specialists to assist in the delivery of public enquiry services	59	59	23	36	20	16				
	99	*99*	*27*	*72*	*46*	*24*	*2*			
Environment —										
Bell Mobility										
Broadcast services	*17*	*17*	*4*	*13*	*1*		*1*		*1*	*10*
Fisheries and Oceans —										
Provincial Airlines Ltd										
Air Surveillance Services	*137*	*106*	*83*	*23*	*11*	*12*				
Health —										
Department —										
Express Scripts Inc										
Management and administration of the Health Information Claims Processing System	172	172	104	68	23	24	21			
Nursing services										
Bayshore Health Care Ltd	21	21	2	19	10	7	2			
Padabun Nursing Inc CHCA Ltd	31	31	5	26	13	10	3			
Venture Health Care Inc	52	52	3	49	28	17	4			
Public Health Agency of Canada —										
GlaxoSmithKline										
Pandemic readiness fees	95	95	37	58	9	10	10	10	10	9
	371	*371*	*151*	*220*	*83*	*68*	*40*	*10*	*10*	*9*
Industry —										
Canadian Space Agency —										
exactEarth Ltd										
Space-Based Automated Identification System Data Services	19	19	6	13	13					
MacDonald Dettwiler and Associates Ltd										
Logistics and Sustaining Engineering Support for the International Space Station Mobile Servicing System	100	100	73	27	27					
Statistics Canada —										
Transcontinental Printing 2005 GP										
Census 2016 - Printing services	11	11		11	10	1				
	130	*130*	*79*	*51*	*50*	*1*				
National Defence —										
Department —										
ADGA Group Consultants Inc										
Land Command Support System Weapon System Management	251	133	93	40	25	15				
Allied Wings Limited Partnership										
Primary rotary wing and multi-engine pilot training, Portage, Manitoba	1,828	1,768	688	1,080	81	82	83	85	85	664

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subsequently
AMEC Foster Wheeler (Dartmouth), Nordlys Environmental Limited Partnership and others										
Goose Bay Remediation Project, Newfoundland and Labrador	62	60	29	31	14	9	6	2		
ATCO Group										
Facilities maintenance, Calgary, Alberta	78	52	13	39	13	13	13			
Babcock Canada Inc										
Victoria in service support contract	1,285	1,195	796	399	133	133	133			
BAE Bofors System, Sweden										
57mm gun	120	94	78	16	16					
Bell Helicopter Textron Canada Limited										
Optimized Weapon System Support, CH-146 Griffon	641	641	331	310	52	52	51	52	52	51
Black & McDonald Ltd										
Dwyer Hill Training Centre facilities maintenance and support services	19	19	6	13	6	7				
BMT Fleet Technology Limited										
ELMS Services to Ship Design	55	34	8	26	6	7	6	7		
Boeing, Ridley Park, Pennsylvania										
In-service support for the CH147F Fleet	415	415	113	302	100	100	102			
Bombardier Inc										
NATO Flying training in Canada, Moose Jaw and Cold Lake	2,583	1,922	1,330	592	105	107	109	109	73	89
Bronswerk Marine Inc										
Repair and overhaul of 85 and 125 ton water chillers	17	17	5	12	4	4	4			
CAE Inc										
Aircrew operational training services in support of the CC-130J and CH147F aircrafts	281	281	8	273	13	12	14	13	13	208
Calian Technologies Ltd										
Recruit and manage health services providers for the Canadian Armed Forces	740	740	576	164	75	89				
Canadian Base Operators Meaford										
Provide base and logistical services	194	194	122	72	10	10	10	10	11	21
Carillion Canada Inc										
Maintenance and support services for Canadian Forces Housing Agency, Petawawa, Ontario	18	18	1	17	6	6	5			
Cascade Aerospace Inc										
CC-130 Hercules Avionics Optimized Weapon System Management	44	44	2	42	14	14	14			
Corporation Fort St-Jean										
Support to RMC St-Jean, Quebec	248	216	108	108	19	22	23	22	22	
Cubic Defense Applications Inc										
Weapons Effect Simulation	209	209	178	31	14	17				
Fleetway Inc										
In service support for Halifax and Iroquois Class vessels	187	131	102	29	15	14				
General Dynamics Canada Ltd										
Combat Net Radio / VIU Upgrade	122	122	29	93	45	40	8			
General Dynamics Land Systems Canada										
Wheeled Light Armoured Vehicle Optimized Weapon Systems Support, phase 2	704	661	572	89	42	22	15	10		
General Dynamics Ordnance and Tactical Systems Canada, United States Department of the Navy										
Ammunition	221	221	88	133	109	21	3			

Table 11.3
Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subse-quently
Harris Canada Inc										
CF-18 Hornet Avionics Optimized Weapon System Support	198	198	92	106	26	20	20	20	20	
IMP Group Ltd, Aerospace Division										
CH-124 Sea King Helicopter Third line support contract	395	395	339	56	40	16				
CH-149 Cormorant Helicopter in service support contract	1,690	1,222	1,030	192	34	28	29	29	30	42
CP-140 Aurora Aircraft, prime air vehicle, Optimized Weapon Systems Support	1,262	553	491	62	62					
Irving Shipbuilding Inc										
Halifax Class modernization	688	688	473	215	84	66	65			
L-3 Communications										
CF-18 Hornet Aircraft System Engineering Support	1,205	1,060	916	144	94	50				
CP-140 Aurora Aircraft Avionics Optimized Weapon System Support	343	343	244	99	45	27	27			
Integrated Platform Management System	81	80	66	14	5	7	2			
Repair and overhaul	34	34	23	11	8	3				
Lockheed Martin Canada										
Combat Systems Integration	548	345	72	273	30	92	92	59		
Lockheed Martin Overseas Services Corp										
Command and Control System, CCS 876	43	43	27	16	16					
Modification of four FPS-117(V) CCR systems	39	39	9	30	10	20				
Lockheed Martin Canada Inc and Pratt & Whitney Canada Inc										
The F-35 Joint Strike Fighter Program Production, sustainment and follow-on development phase	86	86	61	25	25					
Logistik Unicorp Inc										
Consolidated Clothing Contract	561	463	381	82	60	22				
Montfort Health Services										
Provide medical and dental facility and professional services	112	112	62	50	10	10	10	10	9	1
NATO Seasparrow										
Evolved Seasparrow Missile — in service support contract, block 1	133	133	46	87	19	18	17	17	16	
Evolved Seasparrow Missile Engineering and manufacturing development, block 2	189	189	66	123	62	60	1			
Northrop Grumman International Trading Inc										
Navigation system	36	32	12	20	10	10				
Orenda Aerospace Corporation										
F404 Propulsion Group interim support	36	36	14	22	22					
Raytheon Canada Limited										
North Warning System operation and maintenance	231	166	10	156	17	32	32	33	33	9
Select Global International Inc										
Advanced Distributed Combat Training System tactical and flight training	20	18	7	11	4	4	3			
SERCO Facilities Management Inc										
Provision of site services at Goose Bay, Newfoundland and Labrador	669	669	518	151	151					
Sikorsky International Operations Inc										
Maritime helicopters in service support	5,732	5,732	516	5,216	73	160	279	313	284	4,107
SNC Lavalin Defence Programs Inc										
In service support contract for MCDV/AUX	685	267	175	92	23	23	23	23		

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Telesat Canada										
Satellite capacity bandwidth	33	33	20	13	3	4	3	3		
Textron Systems Canada Inc										
Tactical Armoured Patrol Vehicle support contract	106	106	24	82	36	12	7	6	5	16
Thales Canada Inc										
Fire Control Radars	61	54	21	33	33					
United States Department of Defense										
Operations and support of Advanced Extremely High Frequency MILSATCOM System	86	82	23	59	6	6	6	6	6	29
United States Department of the Air Force										
C-130J EW aircraft components	55	55	28	27	27					
C-17 Engine radios and support	13	13	2	11	11					
Wideband Global Satellite Communications System	387	342	211	131	48	59	2		1	21
United States Department of the Army										
Repair and return of T55 engines	13	13		13	2	3	5	3		
United States Department of the Navy										
Heavy weight torpedo upgrade	194	194	38	156	33	38	42	30	13	
Repair and overhaul recertification	19	19		19	9	10				
Victoria Shipbuilding Limited										
Halifax Class modernization	445	385	330	55	55					
Weir Canada Inc										
Maritime Systems and Engineering	600	200	146	54	54					
Communications Security Establishment —										
Plenary Properties										
Public-private partnership arrangement to design, build, finance and maintain (35 years)	2,975	2,975	129	2,846	116	103	101	105	108	2,313
	30,325	*26,561*	*11,898*	*14,663*	*2,280*	*1,699*	*1,365*	*967*	*781*	*7,571*
Office of Infrastructure of Canada —										
Arup Canada Inc										
Professional services	*17*	*17*		*17*	*4*	*3*	*3*	*4*	*3*	
Privy Council Office —										
Office of the Chief Electoral Officer —										
Cossette Communications										
Advertising services	20	20	1	19	10	2	2	2	3	
IBM Canada										
Information technology and telecommunications consultants	22	22	2	20	12	8				
	42	*42*	*3*	*39*	*22*	*10*	*2*	*2*	*3*	
Public Safety and Emergency Preparedness —										
Canada Border Services Agency —										
The Canadian Corps of Commissionaires										
Protection services	19	19	1	18	10	8				
Correctional Service —										
Community residential facilities										
Aggregate	160	156	59	97	96	1				
Corrections and Conditional Release Act — provide custody and delivery of correctional services to federally sentenced Aboriginal offenders										
Aggregate	35	35	17	18	7	7	4			
Kairos Pneuma Chaplaincy Inc										
Institutional chaplaincy services	18	18	7	11	11					
Royal Canadian Mounted Police —										
RCMP Fleet Vehicles	76	76	50	26	26					
	308	*304*	*134*	*170*	*150*	*16*	*4*			

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subsequently
Public Works and Government Services —										
Department —										
Anchor QEA Limited Liability Corporation										
Marine sediment	13	13		13	13					
Brookfield Johnson Controls Canada Limited Partnership										
Building maintenance services	9,091	8,989	68	8,921	1,355	1,355	1,325	1,221	1,222	2,443
Electronic Media Monitoring Program										
Aggregate	34	22	9	13	7	6				
Dragage Océan DSM Inc										
Maintenance dredging of St Lawrence Seaway, North Traverse, Quebec	29	29	14	15	4	4	3	4		
First Data / Paymentech Canada Partner Inc										
Card acceptance services	138	138	106	32	32					
Giant Mine remediation, Northwest Territories										
Aggregate	79	79	66	13	11	2				
Green Timbers Limited Partnership										
Public-Private Partnership Relocation Project — RCMP "E" Division relocation, Surrey, British Columbia	716	716	67	649	30	29	29	29	30	502
Metro Excavation Inc										
Reconstruction of piers 97 and 98, Queen's Wharf, Quebec	12	12	1	11	9	2				
Moneris Solutions Corporation										
Card acceptance services	185	185		185	18	41	43	41	42	
Nuna East Ltd										
Runway and tarmac rehabilitation and construction of new tarmac, Eureka, Nunavut	22	22		22	5	6	11			
Pension Modernization										
Aggregate	16	13	10	3	3					
Hewlett-Packard (Canada) Company	267	257	241	16	16					
Pomerleau Inc, Investissements Immobiliers Kevlar Inc										
Quebec Tax Services Office, 2575 Sainte-Anne Boulevard, Québec, Quebec (2)	52	52		52	2	2	2	2	3	41
Quantum Murray Limited Partnership										
Rock Bay Remediation Project	33	33	12	21	21					
Remediation of contaminated sediment at the Fort of Gaspé, Quebec										
Aggregate	2	2		2	1	1				
Sanexen Services Environnementaux Inc	14	12		12	7	5				
Société d'habitation et de développement de Montréal										
National Film Board of Canada lease, Quartier des spectacles, Montréal, Quebec (2)	54	54		54		2	2	2	3	45
Tax and operation and maintenance portion on leases										
2237800 Ontario Ltd										
395 Terminal Avenue, Ottawa, Ontario	69	69	8	61	4	4	4	4	5	40
4345177 Canada Inc										
Fontaine Building, 200 Sacré-Cœur Boulevard, Gatineau, Quebec	46	46	20	26	3	3	3	3	4	10
519719 Ontario Inc										
1600 Star Top Road, Ottawa, Ontario	57	57	44	13	3	3	3	3	1	
6149625 Canada Inc										
Place Vincent Massey, 351 Saint-Joseph Boulevard, Gatineau, Quebec	23	23	2	21	1		1	1	1	17
6149626 Canada Inc										
Place Vincent Massey, 351 Saint-Joseph Boulevard, Gatineau, Quebec	107	107	12	95	3	4	3	4	4	77
8424934 Canada Inc										
Public Service Pay Centre lease, Miramichi, New Brunswick (2)	15	15		15					1	14

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Broccolini Construction										
455 de la Carrière Boulevard, Gatineau, Quebec	220	220	12	208	7	7	8	8	8	170
Canada Post Corporation										
750 Heron Road, Ottawa, Ontario	59	59	34	25	5	5	5	6	4	
City of Vancouver										
Library Square, 360 Georgia Street West, Vancouver, British Columbia	31	31	18	13	3	2	3	2	3	
Cominar Real Estate Investment Trust										
550 de la Cité Boulevard, Gatineau, Quebec	48	48	35	13	3	4	4	2		
Computershare Trust Company of Canada										
Canada Place, 9700 Jasper Avenue, Edmonton, Alberta	310	310	77	233	11	12	12	12	12	174
Harry Hays Building, 220 - 4th Avenue, Calgary, Alberta	197	197	48	149	7	7	8	8	8	111
Joseph Sheppard Building, 4900 Yonge Street, Toronto, Ontario	282	282	73	209	10	10	11	11	11	156
RCMP Building, 4225 Dorchester Boulevard West, Westmount, Quebec	99	99	21	78	4	4	4	4	4	58
Revenue Canada Building, 305 René-Lévesque Boulevard West, Montréal, Quebec	117	117	23	94	5	4	5	5	5	70
Skyline Complex, 1400 Merivale Road, Ottawa, Ontario	285	285	97	188	9	9	10	10	10	140
Thomas D'Arcy McGee Building, 90 Sparks Street, Ottawa, Ontario	269	269	56	213	10	11	11	11	11	159
Consortium GM Développement, OGESCO Construction, Pierre Martin & Associés, Design & Architecture										
1550 d'Estimauville Avenue, Quebec, Quebec	69	69	10	59	3	3	3	3	4	43
M P N Holdings Ltd										
111 Lombard Avenue, Winnipeg, Manitoba	12	12		12	1		1		1	9
Minto Commercial Properties Inc										
Mercury Centre, 3000 Merivale Road, Ottawa, Ontario	371	371	52	319	11	12	13	13	14	256
Morguard Corporation										
131 Queen Street, Ottawa, Ontario	148	148	53	95	7	7	8	8	8	57
181 Queen Street, Ottawa, Ontario	67	67	33	34	4	3	4	4	4	15
Société en commandite Montcalm										
Montcalm Place, Phase II, 200 Montcalm Street, Gatineau, Quebec	24	24	4	20	1	1	2	2	2	12
Société en nom collectif Place Montcalm (Phase III)										
Montcalm Place, Phase III, 70 Crémazie Street, Gatineau, Quebec	53	53	38	15	4	4	4	3		
The Canada Life Assurance Company										
Judicial Complex, 180 Queen Street West, Toronto, Ontario	96	96	38	58	5	5	5	5	5	33
The Great-West Life Assurance Company										
James Michael Flaherty Building, 90 Elgin Street, Ottawa, Ontario	309	309	7	302	12	12	13	12	12	241
The Great-West Life Assurance Company of Canada and London Life Assurance Company										
269 Laurier Street West, Ottawa, Ontario	83	83	51	32	6	6	6	6	6	2
Shared Services Canada —										
Advanced Chippewa Technologies Inc										
Networking equipment and services	14	14	2	12	12					
Allstream										
Wide area network services	241	241	32	209	3	18	26	32	39	91

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subsequently
Bell Canada										
Data centres - facilities and non-computing	14	14	4	10		6	4			
Data networks — Internet	13	13	2	11	5	6				
Data networks — Intra-building goods and services	82	82	72	10	10					
Email Transformation Initiative	27	27	4	23	23					
Wide area network services / Networking equipment and services	72	72	14	58	34	24				
Bell Mobility										
Voice networks	33	33	20	13	13					
Campucom Canada Go										
Networking equipment and services	19	19	3	16	16					
Computer Associates Canada										
Data centres — Management software	72	72	23	49	27	22				
Hewlett-Packard Canada										
Data centres — Mid-range and operating systems	31	31	18	13	13					
IBM Canada Ltd										
Data centres consolidation — Workplace technology devices strategic sourcing	49	49	8	41	9	8	3	3	3	15
Data centres — Large computers and operating systems	257	257	36	221	47	54	53	67		
Data centres — Management software	23	23		23	23					
Microsoft Canada Inc										
Data centre services	29	29	13	16	8	8				
Workplace technology devices — Software and software maintenance	160	160		160	81	79				
Microsoft Licensing GP										
Email Transformation Initiative	37	37	26	11	11					
Rogers Wireless										
Voice networks — Voice services	99	99	70	29	29					
Telus Communications Company										
Network — Cyber security strategic sourcing	483	226	167	59	26	33				
Wide area network services (1 of 2)	268	268	38	230	1	21	32	39	46	91
Wide area network services (2 of 2)	156	156	56	100	24	23	23	21	9	
Wide area network services										
Aggregate	19	19	3	16	10	3	3			
	16,421	*16,035*	*2,071*	*13,964*	*2,101*	*1,902*	*1,713*	*1,611*	*1,545*	*5,092*
Treasury Board —										
Sun Life Assurance Company of Canada										
Pensioners' Dental Services Plan (Administration)	42	42	30	12	9	3				
Public Service Health Care Plan (Administration)	175	175	120	55	34	21				
	217	*217*	*150*	*67*	*43*	*24*				
Subtotal	48,268	44,083	14,710	29,373	4,840	3,776	3,138	2,594	2,343	12,682

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subsequently
Consolidated Crown Corporations and Other Entities —										
Atomic Energy of Canada Limited —										
Purchase orders	*554*	*554*	*357*	*197*	*197*					
Canadian Air Transport Security Authority —										
Garda Security Screening Inc — Central	652	652	381	271	132	139				
Garda Security Screening Inc — Prairies	422	422	258	164	79	85				
G4S Secure Solutions (Canada) Ltd	416	416	251	165	80	85				
Logistik Unicorp Inc	17	17	2	15	3	4	4	4		
Morpho Detection Inc	179	179	64	115	42	42	31			
NAV Canada	125	125	46	79	11	14	13	14	13	14
Securitas Transport Aviation Security Ltd	461	461	285	176	85	91				
Smiths Detection Montreal Inc	39	39	16	23	4	5	5	5	4	
Sun Life Assurance Company	31	31	8	23	4	4	4	4	4	3
	2,342	*2,342*	*1,311*	*1,031*	*440*	*469*	*57*	*27*	*21*	*17*
Canada Council for the Arts —										
Capital commitments in limited partnership funds	*46*	*46*	*19*	*27*	*8*	*4*	*11*	*4*		
Canadian Broadcasting Corporation —										
Programming rights										
Sports	85	85	6	79	14	14	23	11	10	7
Other	33	33		33				6	8	19
SAP Canada	14	14		14	1	2	1	2	1	7
Sintec Media Ltd	21	21	10	11	4	3	4			
SNC-Lavalin Profac Inc	471	471	270	201	38	39	40	41	43	
Transmission and distribution	35	35		35	6	6	6	6	6	5
	659	*659*	*286*	*373*	*63*	*64*	*74*	*66*	*68*	*38*
Canadian Commercial Corporation —										
Contracts with foreign customers	*23,503*	*23,503*	*5,241*	*18,262*	*922*	*434*	*1,909*	*4,327*	*5,373*	*5,297*
National Capital Commission —										
Land management and maintenance										
Aggregate	46	46	26	20	9	6	4		1	
City of Ottawa	17	17	6	11		1		1		9
Services récréatifs DEMSIS Inc	17	17		17	3	3	3	4	4	
	80	*80*	*32*	*48*	*12*	*10*	*7*	*5*	*5*	*9*
St. Lawrence Seaway Management Corporation —										
Cavotec	37	37	14	23	8	15				
Dufferin Construction	87	87	44	43	23	19	1			
	124	*124*	*58*	*66*	*31*	*34*	*1*			
Subtotal	27,308	27,308	7,304	20,004	1,673	1,015	2,059	4,429	5,467	5,361
Total purchases	75,576	71,391	22,014	49,377	6,513	4,791	5,197	7,023	7,810	18,043
Total capital assets and purchases	**96,246**	**90,273**	**33,263**	**57,010**	**8,989**	**6,612**	**6,304**	**7,736**	**8,412**	**18,957**

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Operating leases —										
Environment —										
Capilano Indian Reserve No. 5 of Vancouver, British Columbia										
Lease of land — Pacific Environmental Center	*385*	*385*	*172*	*213*	*8*	*8*	*8*	*8*	*8*	*173*
Foreign Affairs, Trade and Development —										
Main Business Administration for Services to the Diplomatic Corps (GlavUpDK)										
Chancery, Moscow	194	194	31	163	5	5	4	5		144
Pacific Grace Limited										
Chancery, Hong Kong	22	22	5	17	2	2	3	2	2	6
Spanish Space Tower, S.A.U. (Torre Espacio Castellana, S.A.U.)										
Chancery, Madrid	22	22	10	12	2	2	2	2	2	2
The HongKong Land Property Company Limited										
Chancery, Hong Kong	20	20	3	17	2	2	2	2	2	7
The Wilton Co-ownership										
Chancery, Dublin	18	18	4	14	1		1		1	11
	276	*276*	*53*	*223*	*12*	*11*	*12*	*11*	*7*	*170*
Public Works and Government Services —										
Department —										
1166 Equities Inc										
1166 West Pender Street, Vancouver, British Columbia	34	34	23	11	6	5				
1550 Carling Inc										
Carling Business Centre, 1451 Coldrey Avenue and 1550 Carling Avenue, Ottawa, Ontario	27	27	11	16	3	3	2	3	3	2
1823175 Ontario Inc										
Pinecrest Office Park, 2745 Iris Street, Ottawa, Ontario	26	26	1	25	2	2	2	2	2	15
234 Laurier Leaseholds Limited										
Plaza 234, Ottawa, Ontario	32	32	20	12	3	3	4	2		
25 Nicholas Properties Ltd										
The Albion Executive Tower, Ottawa, Ontario	35	35	20	15	4	3	4	3	1	
3934381 Canada Inc										
1138 Melville Street, Vancouver, British Columbia	109	73	32	41	7	7	8	7	7	5
927094 Alberta Ltd										
9240 - 49th Street, Edmonton, Alberta	53	53	6	47	3	4	3	4	3	30
Armco Capital Inc										
PID 41358177, Halifax, Nova Scotia	41	29		29	2	7	2	2	2	14
bcIMC Realty Corporation										
100 Colonnade Road, Ottawa, Ontario	15	15	4	11	2	1	2	1	2	3
130 Colonnade Road, Ottawa, Ontario	27	27	8	19	3	3	2	3	3	5
Beatty Street General Partnership										
Pivotal Building, 877 Expo Boulevard, Vancouver, British Columbia	20	20	4	16	2	2	2	2	2	6
Bona Building & Management Company Ltd										
155 McArthur Avenue, Ottawa, Ontario	19	19	1	18	4	4	4	4	2	
333 and 335 North River Road, Ottawa, Ontario	126	87	9	78	14	18	18	18	10	

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
BPO (Ontario Core) Ltd, Ontario Holdings Ltd and CREHOY Inc										
Jean Edmonds Towers, 300 Slater Street and 365 Laurier Avenue, Ottawa, Ontario	30	19	5	14	14					
Place de Ville - Towers A, B and C, 320 Queen Street, Ottawa, Ontario	413	413	48	365	41	41	41	41	39	162
BPO Properties Ltd, HRI Exchange Inc and PFS Exchange Inc										
Exchange Tower, 130 King Street West, Toronto, Ontario	37	37	22	15	12	3				
City Centre Equities Inc, c/o Harvard Developments Inc										
1870 Hamilton Street, Regina, Saskatchewan	26	26	5	21	3	2	3	2	3	8
Cominar Real Estate Investment Trust										
3400 Jean-Béraud Avenue, Laval, Quebec	40	40	6	34	4	4	4	4	4	14
Dundeal Canada West (GP) Inc										
Gallery Building, 4923 - 52nd Street, Yellowknife, Northwest Territories	25	25	10	15	2	2	2	2	2	5
Dundee Properties (GP) Inc										
2204 Walkley Road, Ottawa, Ontario	19	19	7	12	3	3	2	3	1	
Dundee Properties Limited Partnership										
5001 Yonge Street, Toronto, Ontario	35	35	17	18	9	9				
GWL Realty Advisors Inc										
840 Howe Street, Vancouver, British Columbia	29	29	3	26	6	6	6	6	2	
H&R Real Estate Investment Trust										
Place Bell, 160 Elgin Street, Ottawa, Ontario	75	75	49	26	8	8	4	3	2	1
Hoopp Realty Inc										
Telus Plaza North, 10025 Jasper Avenue, Edmonton, Alberta	16	16	6	10	3	3	3	1		
Ivanhoe Cambridge II Inc										
4720 Kingsway, Burnaby, British Columbia	26	26	10	16	3	2	3	2	3	3
Lord Realty Holdings Limited and Privest Properties Ltd										
555 West Hastings Street, Vancouver, British Columbia	29	29		29	2	3	3	3	3	15
Minto Commercial Properties Inc										
180 Kent Street, Ottawa, Ontario	45	45	24	21	5	4	5	5	2	
Canada Building, 344 Slater Street and Enterprise Building, 427 Laurier Avenue West, Ottawa, Ontario	162	122	24	98	12	12	12	12	12	38
Morguard Investments Limited in trust										
Standard Life Centre, 280 Slater Street, Ottawa, Ontario	67	67	10	57	7	6	7	6	7	24
Morguard Investments Limited in trust for Cordova Equities Inc										
Standard Life Centre, 333 Laurier Avenue West, Ottawa, Ontario	62	62	41	21	10	7	3	1		
Morguard Real Estate Investment Trust										
7575 - 8th Street North-East, Calgary, Alberta	30	30	3	27	3	3	3	3	3	12
Omers Realty Corporation and CPP Investment Board Real Estate Holdings Inc										
Constitution Square, 350-360 Albert Street, Ottawa, Ontario	95	95	31	64	9	9	10	10	10	16
OMNI Property Management Inc										
1611 Main Street, Vancouver, British Columbia	65	65	4	61	4	5	4	5	4	39

Table 11.3
Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Continued*

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31					
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2016	2017	2018	2019	2020	2021 and subsequently
OPB (Centre 10) Inc										
517 - 10th Avenue South West, Calgary, Alberta	73	73	10	63	7	8	7	8	7	26
OPGI 1 Limited Partnership										
800 Burrard Street, Vancouver, British Columbia	41	41	14	27	8	8	9	2		
Pacific Centre Leaseholds Limited										
701 Georgia Street West, Vancouver, British Columbia	33	33	18	15	3	3	3	3	3	
Pensionfund Realty Limited										
99 Metcalfe Street, Ottawa, Ontario	39	39	15	24	4	4	4	4	4	4
250 Albert Street, Ottawa, Ontario	53	53	33	20	6	6	6	2		
RIZE Alliance (Terminal Building) Inc										
Canada Revenue Agency Tax Services Office, 468 Terminal Avenue, Vancouver, British Columbia	75	75		75	1	5	5	5	5	54
Roscourt Investments Inc										
30 McGill Street, Montréal, Quebec	16	16	3	13	3	3	3	4		
South Willow Developments Ltd										
48 Mellor Avenue, Dartmouth, Nova Scotia	14	12	1	11	1	1	1	1	1	6
Station Lands Ltd										
Epcor Tower, 10423 - 101st Street, Edmonton, Alberta	75	75	26	49	7	8	7	8	7	12
Sun Life Assurance Company of Canada and SITQ National Inc										
1155 Metcalfe Street, Suite 55, Montréal, Quebec	18	18	4	14	2	2	1	2	2	5
Surrey CC Properties Inc										
13450 102nd Avenue, Surrey, British Columbia	30	30		30	1	3	2	3	3	18
The Great-West Life Assurance Company										
Centennial Towers, 200 Kent Street, Ottawa, Ontario	243	192	19	173	15	15	15	16	16	96
TNC 340 Laurier Ltd										
Sir Wilfrid Laurier Building, 340 Laurier Avenue West, Ottawa, Ontario	61	61	33	28	9	10	9			
Transpacific Realty Advisors Ltd										
3991 Gladys Avenue, Abbotsford, British Columbia	22	22	4	18	1	2	1	2	1	11
West Corr Holdings Ltd										
3427 Faithfull Avenue, Saskatoon, Saskatchewan	24	24	1	23	2	1	2	1	2	15
WPBI Property Management Inc										
Bonaventure Place, 800 de la Gauchetière Street West, Montréal, Quebec	49	49	37	12	4	4	4			
	2,756	*2,565*	*682*	*1,883*	*289*	*277*	*247*	*221*	*185*	*664*
Subtotal	3,417	3,226	907	2,319	309	296	267	240	200	1,007
Consolidated Crown Corporations and Other Entities —										
Atomic Energy of Canada Limited —										
Rental properties	*14*	*14*	*3*	*11*	*3*	*2*	*2*	*2*	*1*	*1*
Canada Council for the Arts —										
Office accommodation, 150 Elgin Street, Ottawa, Ontario	*91*	*91*	*5*	*86*	*4*	*4*	*4*	*4*	*4*	*66*
Canadian Air Transport Security Authority —										
Sun Life Assurance Company of Canada	*50*	*50*	*16*	*34*	*4*	*5*	*4*	*5*	*4*	*12*
Canadian Broadcasting Corporation —										
Eurofax Properties	17	17	1	16	1	1	1	2	1	10
Morguard	144	144	74	70	7	8	8	8	8	31
	161	*161*	*75*	*86*	*8*	*9*	*9*	*10*	*9*	*41*

Table 11.3

Transfer Payment Agreements, Capital Assets, Purchases and Operating Leases as at March 31, 2015 — *Concluded*

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2016	2017	2018	2019	2020	2021 and subsequently
Canadian Commercial Corporation —										
Office space	*38*	*38*	*13*	*25*	*1*		*2*	*1*	*2*	*19*
Canadian Museum of Immigration at Pier 21 —										
1055 Marginal Road, Halifax, Nova Scotia	*69*	*69*	*5*	*64*	*2*	*1*	*2*	*1*	*2*	*56*
International Development Research Centre —										
Head office, 150 Kent Street, Ottawa, Ontario	*101*	*101*	*46*	*55*	*6*	*7*	*7*	*7*	*8*	*20*
Marine Atlantic Inc. —										
MV Atlantic Vision	32	32	3	29	11	11	7			
MV Blue Puttees	69	69	59	10	10					
MV Highlanders	59	59	49	10	10					
	160	*160*	*111*	*49*	*31*	*11*	*7*			
National Capital Commission —										
Chambers Building, Ottawa, Ontario	*195*	*195*	*146*	*49*	*10*	*10*	*10*	*11*	*8*	
Telefilm Canada —										
Montréal office	*12*	*12*	*2*	*10*	*1*	*1*	*1*	*1*	*1*	*5*
VIA Rail Canada Inc. —										
Canadian National Railways										
Montréal Central Station	104	104	83	21	5	6	6	4		
City of Toronto										
Union Station	218	218	37	181	3	3	3	3	3	166
SITQ										
Place Ville Marie, Montréal	36	36	2	34	3	3	3	3	4	18
	358	*358*	*122*	*236*	*11*	*12*	*12*	*10*	*7*	*184*
Subtotal	1,249	1,249	544	705	81	62	60	52	46	404
Total operating leases	**4,666**	**4,475**	**1,451**	**3,024**	**390**	**358**	**327**	**292**	**246**	**1,411**
Grand total	**179,801**	**173,179**	**74,483**	**98,696**	**24,951**	**15,377**	**12,370**	**12,398**	**10,874**	**22,726**

(1) The amounts shown relate to a future capital lease obligation.

(2) The amounts shown relate to interest and executory costs associated with a future capital lease obligation.

International Contractual Obligations

Table 11.4 summarizes the international contractual obligations according to whether they would result in the disbursement of funds for non-budgetary share capital and loans, or for budgetary transfer payments, loans and advances and contractual obligations.

International contractual obligations reported in this table include transfer payments, loans and advances to international organizations as well as loans for the development of export trade (administered by Export Development Canada), which Canada has agreed to disburse in the future. Future paid-in share capital represents commitments made by Canada for future purchases of non-budgetary share capital in international organizations. The amounts reported in Table 11.4 as undisbursed loans and advances and as future paid-in share capital exclude notes that have been issued and that are still unpaid as at March 31, 2015.

Table 11.4 presents information that is summarized in Note 16 to the consolidated financial statements in Section 2 of this volume.

Table 11.4
International Contractual Obligations

(in millions of dollars) [1]

	Transfer payments	Undisbursed loans and advances	Future paid-in share capital	Total
Non-Budgetary Share Capital and Loans —				
Foreign Affairs, Trade and Development —				
African Development Bank			36	36
Inter-American Development Bank			17	17
			53	*53*
Budgetary Transfer Payments, Loans and Advances —				
Citizenship and Immigration —				
International Organization for Migration	*12*			*12*
Environment —				
Commission for Environmental Cooperation	2			2
United Nations Environment Programme				
Climate change and clean air	7			7
World Meteorological Organization	7			7
	16			*16*
Finance —				
African Development Fund — Multilateral Debt Relief Initiative	402			402
International Development Association				
Multilateral Debt Relief Initiative	976			976
Subscriptions and contributions	883			883
	2,261			*2,261*
Foreign Affairs, Trade and Development —				
Diplomacy and advocacy	9			9
Fragile states and crisis-affected communities	180			180
Global engagement and strategic policy	609			609
Low income countries	670			670
Middle income countries	331			331
United Nations Environment Programme	6			6
African Development Fund		206		206
Asian Development Fund		95		95
Caribbean Development Bank — Special Development Fund		34		34
Global Environment Facility Fund		189		189
	1,805	*524*		*2,329*
Health —				
Public Health Agency of Canada —				
International Agency for Research on Cancer	2			2
Pan American Health Organization	30			30
	32			*32*
Industry —				
Department —				
International Telecommunication Union	24			24
Canadian Space Agency —				
European Space Agency	90			90
National Research Council of Canada —				
Canada-France-Hawaii Telescope Corporation	26			26
TMT International Observatory LLC	214			214
The National Science Foundation				
Atacama Large Millimetre/submillimetre Array	11			11
Gemini Twin Telescope Project	4			4
	369			*369*
Consolidated Crown Corporations —				
International Development Research Centre —				
African Institute for Mathematical Sciences	*12*			*12*
	4,507	*524*		*5,031*
Total	4,507	524	53	5,084

Note: Canada has agreed to lend the Poverty Reduction and Growth Trust special drawing rights (SDR) 1.2 billion of which SDR 700 million has been lent, and to subsidize the interest rate on the loan through a grant of approximately SDR 190 million, of which SDR 190 million has been paid-in.

(1) Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2015 (1$USD = $1.2666 CAD; 1SDR = $1.7473 CAD; 1 EUR = $1.3615 CAD).

Contingent Liabilities

A contingent liability is a potential liability which may become an actual liability when one or more future events occur or fail to occur. Contingent liabilities are recorded in the accounts when it becomes likely that a payment will be made and the amount of that payment can be reasonably estimated. The contingent liabilities of the Government are grouped into: guarantees provided by the Government, international organizations, claims and pending and threatened litigation, and insurance programs of agent enterprise Crown corporations. Additional information regarding each category is provided below.

For details of contingent liabilities of consolidated Crown corporations, refer to Table 4.4 in Section 4 of this volume. Particulars of contingent liabilities of enterprise Crown corporations and other government business enterprises are not consolidated with those of the Government but details of these contingencies may be found in Table 9.8 of Section 9 of this volume.

Guarantees

Guarantees provided by the Government include:

- guarantees on the borrowings of enterprise Crown corporations and other government business enterprises;
- loan guarantees;
- insurance programs managed by the Government; and
- other explicit guarantees.

Losses on guarantees are recorded in the accounts when it is likely that a payment will be made to honour a guarantee and when the amount of the anticipated loss can be reasonably estimated. The amount of the allowance is determined by taking into consideration the nature of the guarantee, loss experience and the use of other measurement techniques. Borrowings of enterprise Crown corporations and other government business enterprises are recorded as liabilities for the portion not expected to be repaid directly by these corporations.

Table 11.5 lists the outstanding guarantees and is summarized in Note 18 to the consolidated financial statements in Section 2 of this volume. The authorized limits indicated in Table 11.5 represent the aggregate total of various types of authorities of Government bodies as stipulated in legislation, legal agreements or other documents that may be in force at any one time.

Table 11.5

Guarantees provided by the Government as at March 31, 2015

(in millions of dollars)

	Authorized limit (where applicable)	Principal amount outstanding
Guaranteed borrowings of enterprise Crown corporations and other government business enterprises —		
Agent enterprise Crown corporations		253,049(1)
Non-agent enterprise Crown corporations and other government business enterprises —		
Canadian Wheat Board, The		902
Total — Guaranteed borrowings		253,951
Other guarantees provided by the Government —		
Loan guarantees —		
Agriculture and Agri-Food —		
Advance Payments Program — *Agricultural Marketing Programs Act*	5,000	1,245
Farm Improvement Loans Act (FILA) and *Canadian Agricultural Loans Act*	3,000	106
Employment and Social Development —		
Canada Student Loans Act	10,782	8
Indian Affairs and Northern Development —		
Indian Economic Development Guarantee Program	60	1
On-Reserve Housing Guarantee Program	2,200	
Canada Mortgage and Housing Corporation		1,330
Other approved lenders		385
Industry —		
Regional Aircraft Credit Facility	1,500	116
Small Business Loans Act	1,838	(2)
Canada Small Business Financing Act	2,139	752
Capital Leasing Pilot Project	16	(2)
Natural Resources —		
Lower Churchill Hydro Electric Projects	6,300	1,793
Total — Loan guarantees	32,835	5,736

Table 11.5
Guarantees provided by the Government as at March 31, 2015 — *Concluded*

(in millions of dollars)

	Authorized limit (where applicable)	Principal amount outstanding
Insurance programs managed by the Government —		
Canadian Heritage —		
Canada Travelling Exhibitions Indemnification Act	3,000	(3)
Canadian Nuclear Safety Commission —		
Nuclear Liability Reinsurance Account	975	506
Foreign Affairs, Trade and Development —		
Accounts administered for the Government by Export Development Canada	20,000	176
Finance —		
Mortgage or Hypothecary Insurance Protection	300,000	182,458
Transport —		
Aviation War Risks		(3)
Total — Insurance programs managed by the Government	323,975	183,140
Other explicit guarantees —		
Agriculture and Agri-Food —		
National Biomass Ethanol Program	140	25
Price Pooling Program — *Agricultural Marketing Programs Act*		4
Finance —		
Obligations to The Canadian Wheat Board under the Credit Grain Sales Program		17
Consolidated Crown corporations —		
VIA Rail Canada Inc. —		
Letters of credit		31
Total — Other explicit guarantees	140	77
Total — Gross guarantees	356,950	442,904
Less: allowance for guarantees		317
Net exposure under guarantees		442,587

Note: This table excludes insurance programs operated by agent enterprise Crown corporations. Information on these programs is disclosed in Note 18 to the consolidated financial statements in Section 2 of this volume and additional information is provided in Table 11.7 of this section.

(1) Details can be found in Table 9.6, Section 9 of this volume.

(2) Less than $500,000.

(3) No principal amount outstanding.

Advance Payments Program — *Agricultural Marketing Programs Act*

The Advance Payments Program (APP) provides producers with a cash advance on the value of their agricultural products during a specified period. By improving their cash flow throughout the year, the APP helps crop and livestock producers meet their financial obligations and benefit from the best market conditions.

Under the APP, the federal government guarantees repayment of cash advances issued to farmers by the producer organization. These guarantees help the producer organization borrow money from financial institutions at lower interest rates and issue producers a cash advance on the anticipated value of their farm product that is being produced or that is in storage. The maximum cash advance of the program is $0.4 million and the loans generally have a repayment term of 18 months.

Farm Improvement Loans Act and *Canadian Agricultural Loans Act*

The *Canadian Agricultural Loans Act* (CALA) program is a financial loan guarantee program that gives farmers easier access to credit. Farmers can use these loans to establish, improve, and develop farms; while Agricultural co-operatives may also access loans to process, distribute, or market the products of farming.

The CALA program builds on and replaces the previous *Farm Improvement and Marketing Co-operative Loans Act* (FIMCLA) program, which has helped farming operations grow their businesses by guaranteeing loans issued through financial institutions since 1988.

Through the CALA, the Government of Canada is supporting the renewal of the agricultural sector and enabling co-operatives to better seize market opportunities. This program guarantees 95 percent of the value of loans provided to farms and cooperatives by financial institutions. For individual applicants, including corporations, the maximum amount for a *Canadian Agricultural Loans Act* loan is $0.5 million. Most loans are repayable within ten years; for loans on land purchases, the repayment period is 15 years.

Canada Student Loans Act

Loans provided by financial institutions between 1964 and August 1995, under the *Canada Student Loans Act*, are fully guaranteed by Employment and Social Development (ESDC) to the lenders. ESDC reimburses the lenders for the outstanding principal, accrued interest and costs in the event of default, permanent disability or death of the borrower. ESDC bears all risks associated with guaranteed loans.

Indian Economic Development Guarantee Program

This program authorizes Indian Affairs and Northern Development Canada to guarantee loans for non-incorporated Indian businesses on a risk-sharing basis with commercial lenders because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. Guarantees are provided for various types of borrowers whose activities contribute to the economic development of Indians and enable them to develop long-term credit relationships with mainstream financial institutions.

Loans issued under this program cannot exceed a term of 15 years and the line of credit must be renewed every year. Interest rates on guaranteed loans are consistent with rates provided by lending institutions to commercial businesses, which are usually based on a spread from the prime lending rate. Any security pledged for a guaranteed loan may not be released by the lending institution without the prior approval of the Minister of Indian Affairs and Northern Development.

On-Reserve Housing Guarantee Program

This program authorizes Indian Affairs and Northern Development Canada to guarantee loans to individuals and Indian bands to assist in the purchase of housing on reserves because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. These loan guarantees enable status Indians residing on reserves, Band councils, or their delegated authorities, to secure housing loans without giving the lending institution rights to the property.

Loans under this program are issued by registered lending institutions and Canada Mortgage and Housing Corporation. Payments of principal and interest for loans issued under this program are amortized over a period of 25 years. The interest rates on the guaranteed loans are consistent with conventional mortgage interest rates offered by the major banks.

Regional Aircraft Credit Facility

The Regional Aircraft Credit Facility Program was established in 2004 to provide sales financing assistance in the form of loan guarantees to enable domestic air carriers to acquire Canadian-built fixed-wing commercial jets.

The guarantees are provided on commercial terms and are secured by the aircraft financed by private lenders. These guarantees have a life of 15 years. This program expired on March 31, 2008.

Small Business Loans Act and *Canada Small Business Financing Act*

The *Small Business Loans Act* (SBLA) includes loans registered until March 31, 1999 and the *Canada Small Business Financing Act* (CSBFA) includes both the core loans component (loans registered since April 1, 1999) and the Capital Leasing Pilot Project (leases registered between April 1, 2002 and March 31, 2007). In collaboration with financial institutions, the programs offered under these Acts are designed to help Canadian small and medium-sized enterprises (SMEs) get access to loan and capital leasing financing that would not otherwise have been available, or would only have been available under less favourable terms. In the event a registered loan or lease defaults, the Government pays 85 percent of the net eligible losses. To be eligible, SMEs must be for-profit businesses with revenues not exceeding $5 million per year.

Lower Churchill Hydroelectric Projects

In 2011, the Government of Canada committed to providing a loan guarantee to support the Lower Churchill Hydroelectric Projects, including two projects sponsored by Nalcor Energy ((1) Muskrat Falls and Labrador Transmission Assets and (2) Labrador-Island Link) and one project sponsored by Emera Inc. (Maritime Link). The federal loan guarantee applied to the debt raised for the construction of these projects. Subsequent to signing of the Guarantee Agreement by the Minister of Natural Resources for the Muskrat Falls / Labrador Transmission Assets and for the Labrador Island Link, on December 13, 2013, the financing was completed for the Nalcor-led projects, raising $5 billion of guaranteed debt in the form of a bond financing. These bonds have a life varying from about 15 years to 40 years. After the Minister of Natural Resources signed the Guarantee Agreement for the Maritime Link; on April 23, 2014, the bond financing was completed for the Maritime Link, raising $1.3 billion of guaranteed debt for a life of about 39 years. As of March 31, 2015, $1,792,797,702 of guaranteed debt has been released to the project entities. As per the terms of the bonds that were issued, initially, only interest payments are being made on the guaranteed debt. Once the projects are operational, principal payments on the guaranteed debt will begin, with the schedule of these payments depending on the specific terms and conditions of each of the guaranteed bonds. Among the many safeguards put in place to protect Canada's interest, all of the project entities' shares, assets and agreements have been pledged as security to Canada.

Canada Travelling Exhibitions Indemnification Act

Pursuant to s. 3(1) of the *Canada Travelling Exhibitions Indemnification Act* (the Act) the Minister of Canadian Heritage is authorized to enter into indemnification agreements with owners of objects or appurtenances on loan to travelling exhibitions in Canada. Under the Act, maximum levels of liability are established including: no more than $600 million in respect of each travelling exhibition and; no more than $3 billion at any given time in respect of all traveling exhibitions. The Canada Travelling Exhibitions Indemnification Regulations set out specific requirements to be met when owners are seeking indemnification agreements with the Minister. The Regulations also set limitations on the scope of indemnity, establish deductibles, define maximums for and period of coverage, set requirements for condition reporting, outline a claims procedure and provide for dispute resolution, among other things. Applicants may include institutions organizing or participating in travelling exhibitions who apply on behalf of owners. Upon approval of an application by the Minister, the owner of an object or appurtenance included in the particular travelling exhibition may enter into an indemnification agreement with the Minister.

Nuclear Liability Reinsurance Account

Under the *Nuclear Liability Act* (NLA), operators of designated nuclear installations are required to possess basic or supplementary insurance of $75 million per installation for specified liabilities. The federal government has designated the Nuclear Insurance Association of Canada (NIAC) as the sole provider of third-party liability insurance and property insurance for the nuclear industry in Canada. The NIAC provides insurance to nuclear operators under a standard policy.

The policy consists of two types of coverage:

Coverage A and Coverage B. Coverage A includes only those risks that are accepted by the insurer; that is, bodily injury and property damage. Coverage B risks include personal injury that is not bodily; for example, psychological injury, damage arising from normal emissions, and damage due to acts of terrorism.

The NIAC receives premiums from operators for both coverages; however, premiums for Coverage B risks are remitted to the federal government, which reinsures these risks under its reinsurance agreement with the NIAC. Through the reinsurance agreement, the federal government assumes the liability associated with the difference between the basic insurance coverage provided by the NIAC and the full $75 million of liability imposed by the *NLA*, as well as for events listed under coverage B.

The Canadian Nuclear Safety Commission (CNSC) administers the Nuclear Liability Reinsurance Account on behalf of the federal government. The CNSC receives the premiums, paid by the operators of nuclear installations, for the supplementary insurance coverage and credits these to the Nuclear Liability Reinsurance Account in the Consolidated Revenue Fund.

Accounts administered for the Government by Export Development Canada (EDC)

The Government of Canada has authorized support for insurance and guarantee programs which on the basis of EDC's risk management practices, could not be supported under EDC's Corporate Account but are in the national interest. Canada Account transactions consist of activities undertaken by EDC pursuant to Section 23 of the *Export Development Act*.

Mortgage or Hypothecary Insurance Protection

The *Protection of Residential Mortgage or Hypothecary Insurance Act* (PRMHIA) received Royal Assent on June 26, 2011 and came into force on January 1, 2013.

The PRMHIA authorizes the Minister of Finance to provide protection in respect of certain mortgage or hypothecary insurance contracts written by approved mortgage insurers. Under the PRMHIA, a payment in respect of this guarantee would only be made if a winding-up order were made in respect of an approved mortgage insurer that had written an insurance contract guaranteed under the PRMHIA. In that case, the Minister would honour lender claims for insured mortgages in default, subject to: *(1)* any proceeds the beneficiary has received from the underlying property or the insurer's liquidation, and *(2)* a deductible of 10 percent of the original principal amount of the insured mortgage.

As at March 31, 2015, the aggregate outstanding principal amount of loans that are guaranteed under the PRMHIA is estimated at $205.8 billion ($174.9 billion in 2014). Any payment by the Minister is subject to a deductible equal to 10 percent of the original principal amount of these loans, or $23.3 billion ($19.7 billion in 2014). The principal amount outstanding presented within Table 11.5 does not refer to anticipated losses or payments in respect of the guarantee. No provision has been made in these accounts for payments under the guarantee. As at March 31, 2015, there are two approved mortgage insurers under the PRMHIA: Genworth Financial Mortgage Insurance Company Canada, and Canada Guaranty Mortgage Insurance Company.

Aviation War Risks

The Aviation War Risk Liability Program's guarantee is a blanket indemnity to the air industry for any losses arising as a result of war risks causing personal injury or property damage to third parties. Under the current program, airlines and other stakeholders are responsible for obtaining a certain threshold of third party war risk liability insurance. The Government's indemnity covers the gap between the threshold amounts and the individual policy holder's general liability policy limit. There is neither specified amount, nor amount specifiable — any given claim is up to the level of the individual participants' general insurance policy and there is no limit on the number of claims that can be made. The guarantee is in effect until December 31, 2015.

National Biomass Ethanol Program

By Agreement dated March 30, 2001 (and amended in September 1, 2003), Her Majesty the Queen in Right of Canada as represented by the Minister of Agriculture and Agri-Food and Farm Credit Canada (FCC) entered into the National Biomass Ethanol Program (NBEP). The purpose of the program is to encourage new biomass fuel ethanol production in Canada. Guarantees are provided in relation to the Line of Credit Agreements entered into by Farm Credit Canada.

Price Pooling Program — *Agricultural Marketing Programs Act*

The Price Pooling Program (PPP) provides a price guarantee that protects marketing agencies and producers against unanticipated declines in the market price of their products. Program participants use the price guarantee as security in obtaining credit from lending institutions. This credit allows the marketing agency to improve cash flow of producers through an initial payment for products delivered. It also provides equal returns to producers for products of like grades, varieties and types. This program is designed to assist and encourage cooperative marketing of eligible agricultural products, including processed products.

Obligations to the Canadian Wheat Board under the Credit Grain Sales Program

The Department of Finance manages guarantees to The Canadian Wheat Board for the repayment of the principal and interest of all receivables resulting from sales made under the Credit Grain Sale Program.

Letters of credit

VIA Rail Canada Inc. has issued letters of credit to various provincial government workers' compensation boards as security for future payment streams.

International Organizations

Within contingent liabilities, callable share capital represents the portion of Canada's capital subscriptions that has not yet been paid-in. Callable capital is subject to call by offshore banks in the event that they were unable to meet their obligations.

Table 11.6 details the contingent liabilities for international organizations and is summarized in Note 18 to the consolidated financial statements in Section 2 of this volume.

Table 11.6
International Organizations Contingent Liabilities

(in millions of dollars) [1]

	March 31, 2015	March 31, 2014
Non-Budgetary Share Capital and Loans —		
Callable Share Capital —		
Finance —		
European Bank for Reconstruction and Development	1,100	1,230
International Bank for Reconstruction and Development (World Bank)	8,367	7,303
Multilateral Investment Guarantee Agency	58	51
	9,525	*8,584*
Foreign Affairs, Trade and Development —		
African Development Bank	4,126	3,727
Asian Development Bank	8,060	7,031
Caribbean Development Bank	155	135
Inter-American Development Bank	8,735	8,740
	21,076	*19,633*
Total	30,601	28,217

[1] Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2015 (1$USD = $1.2666 CAD; 1SDR = $1.7473 CAD; 1 EUR = $1.3615 CAD).

Claims and Pending and Threatened Litigation

Please refer to Note 18 to the consolidated financial statements in Section 2 of this volume for information on claims and pending and threatened litigation.

Insurance Programs of Agent Enterprise Crown Corporations

An insurance program is a program where the insured, an outside party, pays an insurance fee which is credited to an insurance fund or provision. The amount of the fee is based on the estimated amount of insurance fund or provision needed to meet future claims. The Canada Deposit Insurance Corporation, Canada Mortgage and Housing Corporation, Export Development Canada and Farm Credit Canada currently operate insurance programs as agents of Her Majesty. Insurance programs operated by private corporations such as employee group insurance, dental plans, etc., are not included in this definition.

The insurance programs are intended to operate on a self-sustaining basis. However, in the event the corporations have insufficient funds, the Government will have to provide financing. The Government expects that all three corporations will cover the cost of both current claims and possible future claims.

Information presented in Table 11.7 has not been audited. Additional financial information relating to these corporations may be found in the quarterly *Inventory of Government of Canada Organizations*. Information contained in Table 11.7 is also summarized in Note 18 to the consolidated financial statements in Section 2 of this volume.

Table 11.7
Summary of Insurance Programs of Agent Enterprise Crown Corporations for the Year ended March 31, 2015

(in millions of dollars)

	Canada Deposit Insurance Corporation (1)		Canada Mortgage and Housing Corporation (2)				Export Development Canada (3)		Farm Credit Canada (4)	
			Mortgage Insurance Fund		Mortgage-Backed Securities Guarantee Fund					
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Insurance in force as at reporting date	683,996	665,274	539,000	554,500	421,000	400,000	22,085	23,176	5,585	5,494
Opening balance of Fund	1,569	1,316	13,617	12,013	1,484	1,273	(3)	(3)	13	11
Revenues for the period —										
Premiums and fees	279	192	1,662	1,738	247	246	195	190	24	23
Investment income	41	36	1,970	797	39	33				
Other revenues			(4)	15	136	1,184				
Total revenues	320	228	3,628	2,550	422	1,463	195	190	24	23
Expenses for the period —										
Loss on/provision for claims			313	298					11	8
Interest on borrowing					126	1,160				
Administrative expenses	38	36	248	223	32	30			6	6
Other expenses (includes taxes)	50	(61)	763	493	66	68	14	268	8	7
Total expenses	88	(25)	1,324	1,014	224	1,258	14	268	25	21
Net income or (loss) for the period	232	253	2,304	1,536	198	205	181	(78)	(1)	2
Adjustments			(81)	68	(6)	6				
Closing balance of Fund	1,801	1,569	15,840	13,617	1,676	1,484	(3)	(3)	12	13
Net claims during the period (5)	*	*	410	406	*	*	70	60	11	8
Five year average of net claims paid	*	*	540	572	*	*	113	142	7	7

*Not applicable.

(1) The Canada Deposit Insurance Corporation (CDIC) provides insurance on deposits placed with member banks and trust and loan companies for up to $100,000 per depositor, per institution. The Corporation is funded by premiums assessed against its member institutions.

(2) Canada Mortgage and Housing Corporation (CMHC) administers two funds: the Mortgage Insurance Fund (MIF) and the Mortgage-Backed Securities Guarantee Fund (MBSGF). The MIF provides insurance for a fee, to lending institutions to cover mortgage lending on Canadian housing. Besides establishing a framework of confidence for mortgage lending by lending institutions, the Fund facilitates an adequate supply of mortgage funds by reducing the risk to lenders and by encouraging the secondary market trading of mortgages, to make housing more accessible for Canadians. An actuarial study of the MIF is produced as of September 30 of each year. The Corporation determines provisions for claims and unearned premiums at December 31 using valuation factors taking into account new business, claims and interest for the last quarter. The MBSGF supports two CMHC guarantee products. *National Housing Act* (NHA) Mortgage-Backed Securities and Canada Mortgage Bonds.

The Mortgage-Backed Securities (MBS) program was implemented in 1987. For a guarantee fee paid by approved financial institutions, CMHC and ultimately the Government guarantee timely payment of monthly principal and interest to MBS investors who participate in a pool of insured residential mortgages which have been repackaged by the financial institution into investments which can be sold to investors in denominations as low as $1,000. The Canada Mortgage Bond (CMB) program was implemented in 2001. Under this program, bonds are issued by a special purpose trust known as Canada Housing Trust and sold to investors in denominations as low as $1,000. The proceeds of the bonds are used to purchase mortgages packaged into newly issued NHA MBS. Canada Mortgage Bonds of $207,544 million ($205,113 million in 2014) including accrued interest, issued by the Trust carry the full faith and credit of the Government of Canada. The timely payment of semi-annual interest and principal at maturity is guaranteed by the Government of Canada through CMHC.

(3) Export Development Canada (EDC) provides export and foreign investment insurance to Canadian businesses to facilitate and develop export trade. The insurance program has been adequate to provide for the full cost of claims experienced to date and for the cost of future claims established based on previous claims experience. The Corporation does not maintain a separate fund for its insurance program and therefore the balance of the fund is not available. EDC maintains an allowance for claims on insurance which is based on an actuarial review of net loss experience and potential net losses. The balance of the allowance is $545 million ($626 million in 2014).

(4) Farm Credit Canada sells group creditor life and accident insurance to its customers through a program administered by a major insurance provider.

(5) Refers to the difference between claims and amounts received from sales of related assets and other recoveries.

Section 12

2014-2015

Public Accounts of Canada

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